# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF JULY 7, 1939.



No. 1138

HOUSE RESOLUTION ASKS POWER ABOVE 50 KW.

Declaring that rural communities will not get adequate radio reception so long as radio power it limited to 50 KW., Representative Larrabee (D.), of Indiana, this week introduced a resolution in the House to direct the Federal Communications Commission to make a study of super-power broadcasting and meanwhile license a few such stations.

The resolution is directly contrary to the resolution adopted last session by the Senate and influential in the recent action of the Commission denying requests that super-power stations be licensed. Present FCC rules bar any regular broadcasting with more than 50 KW.

The Larrabee resolution follows:

"Whereas the Federal Communications Commission in its report on proposed rules governing standard broadcast stations and standards of good engineering practice has made new rules and regulations to provide increased radio service to urban listeners without taking any measures to improve service to small towns and rural listeners leaving the implication that no solution of this problem is being sought; and

"Whereas the report of the Federal Communications Commission lists in detail the many possible advantages of high-power operation in the standard broadcast band, particularly to people living in small towns and rural areas; and

"Whereas the new rules governing American international short-wave stations prohibit the use of power less than 50 kilowatts in order to provide better service to foreign listeners while conversely other rules governing stations serving our own people within the continental limits of the United States are prohibited from using power in excess of 50 kilowatts; and

"Whereas the Federal Communications Commission in its report has reached the conclusion that because of the inadequacy of data on the social and economic aspects of high-power operation in the standard broadcast band (550 to 1,600 kilocycles) no provision should be made to permit the operation of standard broadcast stations with power in excess of 50 kilowatts; Therefore be it

"Resolved, That it is the sense of the House of Representatives of the Congress of the United States of America that the Federal Communications Commission should take such steps as may be necessary to provide an adequate method to obtain data and

other factual information and material necessary to determine the social and economic effects of power in excess of 50 kilowatts and that in so doing the Federal Communications Commission shall not be restrained from licensing one or more than one station or stations to operate on power of more than 50 kilowatts for such experimental operation as may be thus necessary."

Explaining the resolution to the House, Representative Larrabee said:

"It is a strange paradox that the very people to whom radio can mean the most and to whom radio offers most are the same people who receive its benefits least satisfactorily. With city reception having been improved year in and year out for many years, has not the time come when we should consider meeting this issue squarely and fairly rather than attempting to solve the problem by ignoring it? We are certainly glad and delighted that even a low-salaried wage earner in many medium - and large-sized cities - can secure the best in radio by going to the corner drug store and buying a set at $9.99, but the day will come when those of us who have been chosen to represent the people will have to explain why we have fostered rules and regulations on the part of an administrative body which forces our country and small-town people to pay $50 and $100 for receivers needlessly - when by the simple expedient of providing them, as is done in other countries, with a signal somewhat stronger, the expense is placed squarely on the shoulders of the broadcaster, where it belongs, and not on the already overburdened pocketbooks of our citizens. There are many parts of the country where even the most expensive sets cannot be substituted for an inadequate signal.

"Despite the Commission's finding of fact that from a technical and economic standpoint high power is not a Frankenstein, the Commission has arbitrarily refused to relax its regulations and permit progressive American broadcasting stations to compete with stations in Mexico, Cuba, France, Germany, England, and Soviet Russia which now operate with power not fixed at 50 kilowatts, but running even beyond 850 kilowatts. Some of these countries which use power in excess of 50 kilowatts cover less area on the map than the State of Indiana, yet the whole United States, from the Atlantic to the Pacific and from the Great Lakes to the Gulf of Mexico, is denied this type of radio reception.

"That high-power stations would not create a monopoly in the air has ably been demonstrated by facts which were part of the records and have been at the Federal Communications Commission since 1922. In those years, when existing radio stations made an attempt to increase their power from 20 to 50 watts, competitor stations raised a cry of "super-power". The same cry spread when stations were generally advanced from 500 watts to 1 kilowatt. Again, when station owners prepared to increase power to 5 kilowatts, it was generally pointed out that this would create a monopoly of the air. Of course no such thing occurred, and will not occur in the event the Commission decides to permit the use of power in excess of 50 kilowatts. The term 'superpower' is only

relative - for example, 50 kilowatts' power is less power than that delivered by a single low-priced automobile engine; 500 kilowatts' power equals only that developed by one Douglas airplane engine. It will result, however, in a radio parity that will put rural areas more nearly on a par with the metropolitan districts of the country and furnish to listeners in the United States generally a program excellence that is now only attained in the huge metropolitan areas.

"I am convinced in my own mind that the very phrase 'superpower' as applied to broadcasting stations has created a complete misconception in the minds of many as to its meaning. If the Commission's so-called superpower report had been termed, as it might well have been, 'Report on means of improving rural and small-town radio reception', an entirely different reaction to this report might have been indicated on the part of the Commission itself."

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FCC REJECTS PLEA FOR BROADENING S-W HEARING

The Federal Communications Commission this week rejected flatly the petitions of international short-wave broadcasters and the National Association of Broadcasters that the hearing scheduled for next Friday be broadened to include all of the recently promulgated rules governing international broadcasting.

The requests were made by the Columbia Broadcasting System, the Crosley Corporation, General Electric, the Isle of Dreams Broadcasting Corp., National Broadcasting Company, WCAU Broadcasting Company, Westinghouse Electric & Manufacturing Co., and NAB.

Explaining its decision the FCC in a formal statement said:

"The Federal Communications Commission, having heretofore granted a request for a hearing from the American Civil Liberties Union on Section 42.03(a) of the International Broadcast Rules adopted by the Commission, and having set such hearing for July 12, later postponed to July 14, concluded to confine the hearing to the issue directly designated in the petition of the American Civil Liberties Union, although other petitioners sought to enlarge the issues and to postpone the hearing set for July 14. These later petitioners will have ample opportunity to be heard subsequently, on any other issues in the Rules governing International Broadcast Stations as adopted should they so desire. Therefore, the hearing on Section 42.03(a) will be held as set for 10 o'clock, July 14."

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# THOMPSON, HOWLAND NAMED EXECUTIVES OF ZENITH

Appointment of Sylvester T. Thompson as Vice-President and John R. Howland as Assistant to the President of Zenith Radio Corporation, Chicago, was announced this week by Commdr. Eugene F. McDonald, Jr., President.

Mr. Thompson has been with Zenith since June, 1938, and has devoted his time largely to developing the export sales and merchandising, while Mr. Howland was formerly Assistant Secretary of the Philadelphia Storage Battery Co., Philadelphia.

For seventeen years, Mr. Thompson has been a well-known figure in the radio industry. He has watched the industry grow from the crystal set stage into the present complex state with its multiplicity of problems. He served the Radio Manufacturers' Association as a Director and has been Chairman of its Export Committee for five years. As a member of the Executive Council of the South African Reciprocal Trade Committee, he represented the industry in its fight against propaganda detrimental to the importation of American merchandise into South Africa. For a period of fifteen years he was a member of the Society of Automotive Engineers and at present is a member of the Institute of Radio Engineers and the Radio Club of America.

Prior to joining the Zenith organization, Mr. Thompson was Executive Vice-President and Director of the manufacturing subsidiary of Kolster Radio Inc., and Manager of Federal Telegraph Company, both of Newark, N. J. These companies were owned and operated by the International Telephone & Telegraph Company. Subsequently, he became Vice-President, General Manager and Director of Pilot Radio Corporation, Long Island City, N. Y., and contributed immeasurably to the success of that company in the domestic and overseas markets.

Mr. Howland brings to his new work a well-grounded experience in sales, patent investigation, labor matters, and public relations. He is a member of the Patents and Trademark Committee of the National Association of Manufacturers and the Trade and Commerce Bar Association of New York, and a graduate of U. S. Naval Academy at Annapolis.

Prior to his association with the Philadelphia Storage Battery Company, Mr. Howland served as Deputy Administrator under the NRA and in that work had considerable contact with the problems of the radio industry. He administered this rather difficult and unpopular task in a courteous and diplomatic manner which retained the friendship of all those business executives with whom he came in contact.

For a number of years, Mr. Howland has served on important committees of the Radio Manufacturers' Association and has acted as spokesman for his former employer.

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LARGE REGISTRATION FOR NAB CONVENTION

The seventeenth annual convention of the National Association of Broadcasters and the first since its reorganization, has attracted the largest number of advance registrations in the Association's history, NAB stated this week. The meeting will open next week in Atlantic City.

While many and diverse subjects will be considered by the broadcasters, two stand out in importance: the report of the Code Committee and the report of the Copyright Committee.

The convention will be addressed by Carl Milliken, Secretary of the Motion Picture Producers and Distributors of America, Inc., who for the past seventeen years has been in charge of the motion picture industry's code of self-regulation. Elmer F. Andrews, Wage and Hour Administrator, will address the convention on Wednesday morning, July 12th, as will Dr. John W. Studebaker, U. S. Commissioner of Education; and Orrin E. Dunlap, Jr., Radio Editor of the New York Times, who will talk on "Television".

Though the convention does not officially convene until Tuesday morning, July 11th, meetings and social activities will begin on Sunday morning, July 9th. On Sunday, also, the Board of Directors will hold a dinner meeting; and at two o'clock the Research Committee will hold a pre-convention meeting. The annual golf tournament will begin at ten-thirty, Sunday morning.

Group meetings of the clear channel stations, the local channel stations, and the National Association of Regional Broadcast Stations, will be held Monday morning. In the afternoon, the IRNA group and the National Committee of Independent Broadcasters will meet. Later in the afternoon there will be a demonstration of television, followed by a discussion of radio engineering problems by John V. L. Hogan, Chairman of the NAB Engineering Committee.

The Bureau of Radio Advertising will hold a luncheon on Monday in conjunction with the NAB Sales Managers' group. Luncheon will be followed by a report on sales management policies by Dr. Herman S. Hettinger, and a forum discussion of various sales problems.

The convention will be called to order at nine-thirty Tuesday morning. President Miller will make his annual report during the opening morning session. In the afternoon the Code Committee's report will be presented and discussed. This will be a closed membership meeting.

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## FCC EXPLAINS RULES ON NIGHTTIME POWER

The Federal Communications Commission announced this week that final action would be deferred on all pending applications requesting nighttime operation on regional frequencies which would involve serious interference problems if other pending applications requesting the use of 5 KW power on such frequencies are granted. The pending applications requesting the use of 5 KW power at night will, under the Commission's new rules which become effective August 1, no longer be inconsistent with the rules limiting maximum power for nighttime operation on such frequencies.

The Commission's new rules and regulations governing standard broadcast stations, which were adopted by the Commission on June 23, provide for maximum permissible night-time power of 5 KW on regional channels. The present rules limit such power to 1 KW. Applications affected by this action of the Commission fall into three classes: Those which have been set for hearing but not yet heard, those upon which a hearing has been held but no decision rendered by the Commission, and those upon which a decision has been rendered and are now pending on a petition for rehearing. As to those applications which have not yet been heard, an additional issue will be inserted in the notice of hearing concerning the interference problem with pending 5-KW applications, and, thereafter, the applications will be heard in regular course. As to the applications on which a hearing has been held and applications pending on petition for rehearing, a further hearing will be ordered on issues related to the interference problem created by pending 5-KW applications.

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## THREE MAJOR NETS BOOST TIME SALES IN JUNE

The Columbia Broadcasting System grossed $2,860,184 in time billings last month, which sum is 34.8% better than the turnover for June, 1938. It's the biggest percentage gain that the network has had since August, 1937. The National Broadcasting Company's time billings for this June amounted to $3,382,404, an increase of 5.7% over the tally for the like month of 1938. As compared to the first six months of last year, CBS is now ahead by a 8.6%, while NBC's margin is 7.5%.

Mutual last month did $228,186, or 11% over the previous June's gross. Of the total billings accumulated by NBC this June $2,624,657 is credited to the red (WEAF) link and $757,747 to the blue (WJZ) network.

In June 1938, NBC's billings were $3,200,569, while the year before they figured $3,003,287. Columbia took in $2,121,495 for June 1938, and $2,476,567 for June 1937.

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CONTROLLER PUTS BAN ON RADIO RECORDINGS

A decision by Controller General Fred H. Brown this week temporarily blocked plans of the National Emergency Council to distribute radio recordings of governmental activities on the same basis as talks by Cabinet members.

The Controller General ruled that the Veterans Administration has no authority to spend $200 to make the recordings. He pointed out that the NEC is planning to handle the series of programs for the Veterans Administration and other independent agencies.

Almost simultaneously Westbrook Pegler, newspaper columnist, put out a blast against the NEC distribution of "canned speeches" in his copyrighted syndicated column.

Declaring that the press probably would have to come to the defense of radio stations to establish freedom of the air, despite an economical rivalry between the two mediums, Mr. Pegler said:

"There is a difficulty in the fact that the air belongs to the Nation, so to speak, and therefore must be subject to Government regulation. That much is not disputed, but it does not mean that the air belongs to the New Deal any more than it belongs to the Republic Party. But in using the radio for New Deal propaganda the Administration puts itself in the position of a trustee who uses his authority to promote his own interests and impair the interests of the trust. For certainly if radio is allowed to live under frank or implied coercion it loses that purity which the President found so admirable - indeed, its chief virtue.

"But radio itself lives in a state of fear and political jitters. Individuals in the business may pretend to admire the commission and its methods, but they are open to the obvious suspicion that they are playing ball with the New Deal for the advantage which it will bring them in the form of valuable official favor.

"Others realize that the industry lives under a threat of partisan political discipline and looks to their economic enemy, the press, for help in a fight for independence, afraid, however, to speak for publication or appear anywhere in the picture except as confidential informants on matters which radio dares not appeal to the public over its own medium."

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In an attempt both to counteract propaganda by foreign countries and to garner a larger audience for its own news interpretation, the German Propaganda Ministry announced this week that henceforth there would be news broadcasts daily both in the Polish and Ukrainian tongues.

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## CONTROLLER WITH BAN ON RADIO RECEIVERS

A decision by Controller General Fred G. Green that most temporarily blocked plans of the National Broadcast Council to give private radio receivers a governmental monopoly on the news media as radio is being operated.

The Controller General issued his decision after the Federal Communications Commission had no authority to issue such a ruling. The decision, coupled with that of Attorney General Jones to prosecute the Federal Communications Commission for its Wireless Regulations, and also indications of another.

Great disagreement in Washington circles, however, exists, but not a word against the distribution of "second-hand" in the regulations therefrom opinion.

Declaring that the power problem would have to come to the federal or local authorities, he stated that the air, as with an accepted reality between the nations, the "air..."

There is a difficulty in the fact that the air belongs to the nations on to speak, and therefore cannot be monopolized to private ownership. That such is not allowed, or at least not mean that the air belongs to the Ether Trust and that it belongs to the monopolic form. And in making such ruling the Controller General administration gives itself in the position of a tyrannic and unconstitutional subversion of the rights of the people. In the interests of the Ether Trust. For working it radio is allowed to flow under the or implied control of a very few people which the Problems Commission is actually - indeed, its chief aim.

"And more than that, there is a state of fear and political illiteracy. Individuals in the Ether Trust are not to simply use radio and its network, but they are now to be devoted to the notion that they are dealing only with the [illegible] for the [illegible] and which is still being [illegible] in the [illegible] political [illegible]

Robbers seeking into the industry have [illegible] [illegible] political disunion and look in their [illegible] [illegible] [illegible]. For help in a fight for freedom, [illegible] [illegible] [illegible] for publication or special advertise in the private [illegible] [illegible] confidential information or matters which really [illegible] [illegible] the public over its own media."

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In an attempt made by prominent businessmen by [illegible] countries and to [illegible] a larger allegiance for its own [illegible] [illegible]. The German Propaganda Ministry announced [illegible] [illegible] [illegible] would be [illegible] [illegible] in the [illegible] and Italian [illegible].

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## THREE NETWORKS NET $9,307,735 FROM RADIO IN 1938

Additional statistical data released by the Federal Communications Commission this week disclosed that the three major networks - CBS, NBC, and MBS - earned a combined net revenue of $9,307,735 from broadcast services in 1938. The study does not show how this profit was apportioned among the networks.

From network operations alone the networks earned only $4,349,446, the chart shows, whereas $4,958,289 was derived from 23 managed and operated stations. Nine key stations, the report discloses, earned $2,549,987 or more than the other 14 non-key stations, which had a combined net income of $2,408,302.

Total time sales of the networks and managed stations were $68,123,525, of which $54,938,879 was handled directly by the networks.

Total program expenses for the nets and stations amounted to $17,933,405 and technical costs accounted for $3,898,202. Advertising and promotion took $3,621,962, and administrative expenses were $4,497,084.

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## FIVE STATIONS SIGN FTC STIPULATIONS

Five Western and one Southern broadcasting stations have entered into stipulations with the Federal Trade Commission to discontinue certain advertising practices in connection with the sale of their facilities.

The respondents are Intermountain Broadcasting Corporation, operating station KDYL, Salt Lake City, Utah; Lamar Life Insurance Company, station WJDX, Jackson, Miss., Mosby's, Inc., Station KGVO, Missoula, Mont., Woodmen of the World Life Insurance Society, Station WOW Omaha, Nebr.; KFRU, Inc., Station KFRU, Columbia, Mo., and Minnesota Broadcasting Corp., Station WTCN, Minneapolis.

The respondents agreed to cease representing, directly or by implication, that their respective stations have a certain power unless that power is actually used by them during the entire broadcasting period, or unless it is clearly explained in direct connection with each representation that such power is authorized and used only during certain specified hours.

According to the stipulation, all but one of the respondents advertised, without qualification, their stations as having 5,000 watts power, which, it was agreed, might mislead some prospective purchasers of radio facilities into believing that such power was continuous when in fact the power authorized for use and used in each instance was 5,000 watts during the day only and was limited to 1,000 watts at night. In the case of KFRU, Inc., the power advertised without qualification was 1,000 watts when in fact 1,000 watts was used by day and 500 watts at night.

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## TRADE NOTES

Appointment of Donald Davis, stage and motion picture writer, to the television staff of the National Broadcasting Company was announced this week at Radio City by Thomas H. Hutchinson, Manager of NBC's Television Program Division. Mr. Davis will be television's first staff script writer.

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"The National Labor Relations Board has made an order based upon a stipulation requiring Isle of Dreams Broadcasting Corporation and Miami Daily News, Inc., Miami, Florida, to bargain, upon request, with the American Federation of Radio Artists (A. of F.L.). The stipulated order also provided for reinstatement with a payment of $500 to Earle Barr Hanson, an employee who had been discharged. Charges of unfair labor practices against the companies were filed by the AFL radio artists' union.

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"The Human Adventure", an experimental weekly educational series dramatizing the link between the American university and man's future, is to be presented by Columbia Broadcasting System in cooperation with University of Chicago for a limited period beginning Tuesday, July 25, from 8 to 9 P.M.,EDST. Basic idea of the programs is to dramatize great contributions of college research to the world's welfare and progress. Leading educational institutions of the country, together with outstanding scholars and scientists have offered their full cooperation.

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"Current estimates mention that it is costing NBC $1 a day per television set now in use in the New York area", Variety reports. "This figure takes in cost of program schedules. Also expected that this cost will increase as the number of programs increase. Number of sets now in use in the N. Y. metropolitan area is placed at around 500."

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Broadcast service to Latin America, Asia, and the Antipodes from General Electric's West Coast shortwave Station W6XBE, located at the Golden Gate International Exposition on Treasure Island, San Francisco Bay, has been practically doubled, as of June 24th, it was announced by C. H. Lang, Manager of Broadcasting of General Electric. Mr. Lang also announced that the company's short-wave station W2XAF at Schenectady had added 10 additional hours to the existing weekly schedule of programs for the Spanish-speaking listeners in Latin America. W2XAF operates on 9,530 kilocycles or 31.48 meters.

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# TRADE NOTES

Direct radio telephone communications between Switzerland and the United States, scheduled for the month, has been delayed indefinitely by the destruction by fire Thursday of the new short-wave station recently constructed at Schwarzenbad by the Swiss Government. The damage was estimated at more than 1,000-000 Swiss francs. The Swiss authorities have started an investigation. The new station was completed only a few days ago. At present telephone calls between the United States and Switzerland are routed through London.

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To assist amateur television enthusiasts and experimenters in furthering television development, the Radio Corporation of America has made available a number of parts used in modern deflecting circuits in television receivers employing RCA Kinescopes. Mounting interest in television among amateurs in the areas where programs are available, or soon will be, has brought many requests that the parts be placed on the market.

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Appointment of Keith Kiggins, Manager of Station Relations for the National Broadcasting Company, as Director of the NBC-Blue Network was announced this week by Niles Trammell, Executive Vice-President, to whom he will report. Responsibility for the operations of the sales, program, promotion, stations and press departments, Blue Network activities of which will be coordinated by Mr. Kiggins, will remain with the various department heads, who will continue to report to the Executive Vice-President.

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Bloomingdale's, New York City, in collaboration with Audio Productions, Inc., and the American Television Company, will present the first of a series of merchandising television shows, to be known as "Televisuals", early in July, I. A. Hirschmann, Vice-President, has announced. Audio Productions, Inc., has prepared a motion picture, featuring Barbara Lee fashions, Guardian shoes and Tot's clothes, which will be television through a self-contained system in the store. Audio has registered the name "Televisuals" and will make a series of short commercial films in conjunction with American Television, to be shown in stores throughout the country.

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William Kostka, Magazine Editor for the National Broadcasting Company, has been appointed Manager of the NBC Press Division. The appointment is effective immediately, with Edwin P. Curtin continuing as news editor of the division, Richard G. Spencer as night editor, and Leonard W. Braddock as Manager of the Audience Inquiry Division.

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7/7/39

MAN HELD IN FLAMM EXTORTION ATTEMPT

Charged with suspicion of attempting to extort $7,500 from Donald Flamm, President of Station WMCA, New York City, to call off the pickets who have been parading Sunday afternoons in front of the station, a man described as Allen Zoll, 43 years old, of 60 East 67th Street, was held in $5,000 bail this week before Magistrate Richard F. McKinery in Felony Court. A hearing was set for Friday.

Zoll, who denied the accusation, was said by Detectives Edward D. Fitzpatrick and Joseph Petrosino of District Attorney Thomas E. Dewey's office to have taken $200 in marked money from Mr. Flamm, the New York Times reported. Zoll said the money was paid to him as salary as a sales consultant to get rid of the pickets.

Every Sunday afternoon since last December 18th, pickets have demonstrated in front of the radio station, protesting that the Rev. Charles E. Coughlin, of Detroit, was barred from use of the station's facilities after a broadcast allegedly linking Jews with communism.

Zoll was said by the detectives to have been observed on the picket line for a time. At the peak of the demonstration as many as 2,000 pickets marched in front of the station. Recently the number has varied between 350 and 500. It was said that Zoll had represented himself as a Protestant and against barring the priest from the air. The detectives said Zoll had told the police on duty at the demonstration that in the future he would lead the picketing.

According to the charge, Zoll approached Mr. Flamm recently with a demand for $7,500 and by arrangement went to the Hotel Lexington Friday. When Zoll arrived Detectives Fitzpatrick and Petrosino were with Mr. Flamm, and when Zoll allegedly accepted the marked money he was arrested.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



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No. 1139

July 11, 1939.

NAB PROPOSED CODE REVISED; BIG CONVENTION OPENS

Drastic revisions in the proposed Code of Ethics for the Broadcasting Industry have been made since the proposal was released a few weeks ago by a Special Committee, it was disclosed this week as the National Association of Broadcasters opened one of its largest conventions at Atlantic City.

Consideration of the Code for self-regulation was one of the first important tasks of the broadcasters, who convened Monday morning. Debate and probably final action on the code was scheduled to be taken late today (Tuesday).

The new proposals, approved by a Committee on Standards, eliminates many of the bans placed on radio material by the same committee three weeks ago.

The most significant change proposed will remove the earlier plan to force stations to refuse to sell radio time for discussion of issues arising from strikes. The new plan also reverses the Committee's previous objection to continuing the practice of selling program time to religious groups and denominations.

It provides that stations carrying broadcasts on controversial issues must provide opportunity for equal discussion of both sides of the topic, but will leave individual stations to decide when their programs are controversial.

The new code will be presented for discussion and action at a meeting of the convention's 400 delegates this (Tuesday) afternoon. Many members had objected that the original code was too detailed in its limitations on individual stations.

The code, a statement of general principles governing radio presentation of advertising, entertainment, news programs and controversial speeches and discussions, is intended to bind the 422 member stations of the NAB to practices which are ethical and in good taste.

Changes also were made in the definitions of standards of practice which accompanies the code.

The code was expected to find opposition on the convention floor. Operators of smaller independent stations charge the code has been dictated by major radio networks and large independents. Similar questions were raised by owners of stations affiliated with the networks.

A sectional meeting attended by the group representing some 100 stations owned and operated by newspapers voted to put up a vigorous defense against the demands of the American Society of Composers, Authors and Publishers in the negotiations for a new contract.

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PROFESSIONAL WOMEN URGE WOMAN MEMBER OF FCC

President Roosevelt was asked this week by delegates of the National Federation of Business and Professional Women, meeting in Kansas City, to appoint a woman to membership on the Federal Communications Commission.

Miss Myrtle Ellen Labarr of Greensboro, N. C., offered the motion, which was passed by acclamation at the opening business session in the Municipal Auditorium.

As a qualifying phrase, Miss Labarr specified a "business or professional woman" in the draft of the message she submitted to the convention. Her preliminary recommendation of the action emphasized that women make up so vast a proportion of the public whose interests are the concern of the Commission, that they should be officially represented, especially in decisions on radio programs. The designation of an experienced woman aligns the proposal with the organization's expressed policy of "more qualified women in public office".

There are at present no vacancies on the FCC, but should Chairman McNinch be transferred to another agency or retire from public life, as has been rumored frequently, vacancy will occur. Political observers believe that it would be a smart move on the part of the President to follow the suggestion of the business and professional women, who have 71,000 members.

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CANADA TO ALLOT FREE RADIO TIME IN ELECTIONS

The Canadian Broadcasting Corporation this week announced that free use of coast-to-coast networks for broadcasting political arguments in general election campaigns will be allotted the established national parties on a proportionate basis, according to the Canadian Press.

Between the time of dissolution of Parliament and the voting no time will be purchasable for broadcasting on the national networks, under a new statement of policy issued following meetings of the Board of Governors last week, with L. W. Brockington, Chairman, presiding.

Other aspects of controversial broadcasting, political and non-political, are covered in the statement of policy. Free time for Provincial campaigns is also contemplated once the system has been tried out in a general election.

Restrictions are placed on use of the national networks for controversial broadcasts on purchased time, but the corporation will make provision for wider expressions of opinion by private individuals.

When there is no election campaign in progress, time between an election date and the date of dissolution of Parliament may be purchased for political speeches.

None of the corporation's plans for election broadcasts alters in any way the regulations under the Broadcasting Act forbidding broadcasts later than forty-eight hours before the polls open and forbidding political dramatizations.

In its main features the plan is in accordance with the recommendations of the Special Committee of the House of Commons, which considered broadcasting problems last session. The plan is designed to place campaign broadcasts on a more orderly and democratic basis than in the past. From the listener's point of view, it also aims at keeping the total amount of political broadcasts within reasonable limits.

The plan was discussed before its adoption with the official representatives of the party organizations. It has been accepted on behalf of the Liberal, Conservative, C.C.F. and Social Credit parties as a fair and equitable basis for handling the problem.

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## VIRGINIA ABSOLVES WJSV OF STATE TAX

The Virginia Corporation Commission, in a voluminous opinion written by Chairman William Meade Fletcher, held last week that radio broadcasting constituted interstate commerce and was not subject to State regulation.

Rendering the decision in the case of the Columbia Broadcasting System, Inc., which operates Station WJSV at Alexandria, Mr. Fletcher decided that CBS could not be required to domesticate in Virginia and pay the entrance fee of $1,000. Station WJSV, whose studio is in Washington, is building a new transmitter in Maryland.

The opinion resulted in dismissal of a rule which had been issued against the company for violation of Section 3847 of the Virginia Code, which provides that all foreign corporations shall, before doing business in Virginia, secure a certificate of authority from the Corporation Commission.

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Other aspects of controversial broadcasting, political and non-political, are covered in the statement of policy. Provisions for fraternal campaigns in also contemplated once the system has been tried out in a general election.

Restrictions are placed on use of the national network for commercial purposes or partisan ends. But the commission will make provision for wider expansion of station by private individuals.

Thus there is no division according to persons, but between a minimum data and the date of dissolution of institutions may be proposed for political successes.

Some of the commentators place the chief commercial stress in any way the regulation under the Commission, the not practicable broadcasts later than forty-eight hours before the polls open and forbidding political advertisements.

In its main features the plan is in accordance with recommendations of the Special Committee of the House of Commons. This committee broadcasting stations last session. The plan is designed to place commercial broadcasts on a more rightly and democratic basis than in the past. From the listener's point of view it also aims at keeping the total amount of political broadcasting within reasonable limits.

The plan was discussed before its adoption with the political representatives of the party organizations. It was found acceptable to behalf of the Liberal, Conservative, C.C.F. and Social Credit parties as a fair and workable basis for handling the problem.

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## VIRGINIA ASSERTS WAR ON LIQUOR TAX

The Virginia Commission Dominion, in a unanimous opinion written by Justice Miller Hudson Fletcher, held last week that radio broadcasting constituted interstate commerce and was not subject to State regulation.

Regarding the decision in the case of the Columbia Broadcasting System, Inc., which operates station WRVA in Richmond, Va. Attorney General Rob. Gordon Boyd had contended in Virginia and the network in N.Y.C. Justice Fletcher, when asked to be responsible, in building a new transmitter in Maryland.

The operation complained in contrast of a full-time and been issued against the network for violations of section 3447 of the Virginia code, which provides that all foreign corporations shall, before doing business in Virginia, secure a certificate authority from the Corporation Commission.

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PRESS-RADIO FEUD TO BE AIRED AT BELLINGHAM

Station KVOS of Bellingham, Wash., accused by Associated Press of "pirating" news, has been ordered by the Federal Communications Commission to show cause why it should not be taken off the air, at a public hearing August 10th at Bellingham.

Commissioner George Henry Payne, "newspaper-minded" member of the FCC, has been designated to conduct the hearing which also will consider the application of Bellingham Broadcasting Company for facilities now held by KVOS.

Before Commissioner Payne will be the report of an FCC Examiner which charges KVOS does not operate in the public interest and recommends that its license not be renewed. The station broadcasts under a temporary permit which is subject to revocation in the event the Commission, after hearing Commissioner Payne's report, adopts the Examiner's recommendation.

A bitter fight between the broadcasting company and the Bellingham (Wash.) Herald will be reviewed. The newspaper was the original complainant in the new "pirating" suit brought to the Supreme Court of the United States by Associated Press. The charge was made that KVOS extracts material from the Herald for its daily feature "The Newspaper of the Air".

In its petition for hearing, the press association told the Supreme Court news stories are "lifted" not only from the Bellingham Herald, but also from the Seattle Post-Intelligencer and the Seattle Daily Times, other member papers, and that it goes on the air many hours before some subscribers receive their copies of the newspapers.

In the U. S. District Court, an injunction against the practice was denied on the theory that no property rights had been violated. The Ninth Circuit Court of Appeals took a contrary view and issued a preliminary injunction "restraining KVOS from appropriating and broadcasting any of the news gathered for the period following publication in the newspapers during which the broadcasting to the papers most remote auditors may damage the business of the publisher in procuring and maintaining their subscriptions and advertising".

The Supreme Court refused review on the ground that the press association had failed to set out in its pleading a statement of monetary damages.

Station KVOS charges that "the Tacoma-owned reactionary Bellingham Herald" is attempting to destroy its rival for local advertising revenues. No question of public interest exists, the broadcaster contends, and the assertion is made that there is only local conflict.

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# INDUSTRY LOSES COLORFUL FIGURE IN "SPORT" HERRMANN

In the death of Commander U. J. (Sport) Herrmann last week the radio industry has lost one of its most philanthropic and colorful characters, while Zenith Radio Corporation suffers the loss of one of its oldest and best liked Directors, according to Commander E. F. McDonald, Jr., President of Zenith. Mr. Herrmann had been a Director since Zenith's incorporation in 1923 to the time of his death at Sturgeon Bay, Wis., resulting from a taxi accident near that town two days prior.

For years "Sport" Herrmann, whose nickname, known to thousands, was given him as the result of his intense and sincere interest in sports of every kind - hunting, fishing, yachting, travelling, which were his principal hobbies - conducted the radio industry's shows both in New York and Chicago. During his operation of the radio shows, he paid many thousands of dollars in profits to the Radio Manufacturers' Association. During the Association's days of early struggle, he was one of its main supporters.

An examination of Mr. Herrmann's will by his co-executors, Commander McDonald and Robert J. Daly of Chicago, revealed that in death as in life he was generous to an unusual degree in providing for individuals less fortunate than himself. In his will he included many of his old friends and employees, some of whom have not been with him for years. There was hardly a newsboy, policeman or messenger boy in Chicago who did not claim friendship with "Sport" and his inseparable companion, his dog "Brownie".

While he lived there was always a big queue of callers at his office consisting of people who knew that they could rely on his help and "Sport" got a real kick out of helping. Whenever any of these people died in straightened circumstances, their relatives, if unable to afford a decent burial, were encouraged to take advantage of a standing arrangement Mr. Herrmann had made with his mortician to provide a proper funeral at "Sport's" expense. Thus he saw to it that those he had befriended in life were at last laid peacefully to rest in death.

Although best known in and around Chicago as the former owner of the old Cort Theater, and in Boston as the one-time part owner of the Boston Red Sox, Mr. Herrmann in later years became a citizen of the entire world. On his letterhead he inscribed the simple legend "U. J. Herrmann, Citizen", a reflection of his pride in being an American and a retired Commander of theU. S. Naval Reserve.

He was especially assiduous in insisting on keeping all questionable performances out of the Cort Theater and conducted what was literally a war on ticket scalpers during his ownership. He believed that the public should get its full money's worth at the box office without the necessity of paying a premium.

INDUSTRY LOSES COLORFUL FIGURE IN "SHORTY" HERRMANN

In the death of Commander U. J. (Shorty) Herrmann last week the radio industry has lost one of its most enthusiastic and colorful characters, while Zenith Radio Corporation suffered the loss of one of its oldest and best liked directors, according to Commander E. F. McDonald, Jr., President of Zenith. Mr. Herrmann had been a director since Zenith's incorporation in 1923 up to the time of his death at Sturgeon Bay, Wis. [illegible] a heart attack only three days prior.

For years "Shorty" Herrmann, whose nickname, suggesting diminutiveness, was given him [illegible] of his [illegible] and stature, believed in sports of every kind — yachting, fishing, golf, travelling, which were his principal hobbies — [illegible] with [illegible] industry's [illegible] been in the [illegible] Chicago. During the inception of the radio industry, he gave many thousands of dollars in prizes to the radio amateurs [illegible]. During the Association's days of early struggle, he was one of its main supporters.

An examination of Mr. Herrmann's will by his co-executors, Comm. McDonald and [illegible] Daly of Chicago, reveals that in death as in life he was generous to an unusual degree in providing for [illegible] less fortunate than himself. In his will he [illegible] many of his old friends and employees, some of whom had been with him for years. There was hardly a newsboy, policeman or messenger boy in Chicago who did not claim friendship with "Shorty" and the [illegible] reputation [illegible] "Generosity".

While he lived there was always a big crowd of callers at his office consisting of people who knew they could rely on him and "Shorty" got a great kick out of helping. Whenever any of these people died in straitened circumstances, their relatives, if unable to afford a decent burial, were accustomed to take advantage of a standing arrangement Mr. Herrmann had made with an undertaker to provide a proper funeral at "Shorty's" expense. Thus it was to it that those he had befriended in life were at last laid peacefully to rest in death.

Although best known to [illegible] Chicago as the former owner of the old Cort Theatre, and in Boston as the one-time part owner of the Boston Red Sox, Mr. Herrmann in later years became a citizen of the radio world. On his letterhead he inscribed the simple legend "U. J. Herrmann, Citizen", a [illegible] of his pride in being an American and a retired Commander of the U. S. Naval Reserve.

He was essentially [illegible] in [illegible] all questionable performances out of the Cort Theatre [illegible] and was literally a [illegible] during his ownership. He believed that the public should not [illegible] which it had been [illegible] without the necessity of making a complaint.

"Sport" Herrmann travelled widely, hunted, fished, sailed and collected a vast number of treasures, trophies and exhibits from all parts of the world, from the frozen wastes of the Arctic to the South Sea Islands. His apartment on the thirty-first floor of Chicago's Medinah Club through the years became a private museum known far and wide to collectors all over the globe.

"Sport" was not only a traveller but a sailor in his own right, one of the best on the Great Lakes, the son of a sailing ship captain, the late Charles Herrmann, owner and master of the schooner "Surprise".

As a result of his adventures in various parts of the world "Sport" developed a forceful and descriptive literary style. He became interested in literature and writings of all kinds. He was known in Chicago as the watch dog of the library fund, an honorary position he continued to occupy under three different mayors, both Democratic and Republican.

Several of "Sports" adventure trips were made on the yacht "Mizpah" in company with Commander McDonald, his close friend. In 1923 when Commander McDonald was in command of the steamship "Peary" which was a part of the Donald B. MacMillan Arctic expedition of that year, Mr. Herrmann accompanied him North. MacMillan at the time commanded his own ship, the "Bowdoin"

Mr. Herrmann was sixty-seven years old when he died. He was a retired Commander of the United States Naval Reserve, a Past Potentate of the Medinah Shrine, a Director of Zenith Radio Corporation and other organizations. He was unmarried. Most of his estate, as has been mentioned, will go to old friends and employees, to a surviving brother and niece, to a fund for crippled children, and to various charities and hospitals in which during his life he took a daily interest.

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## FINNS BUILDING 100 KW STATION FOR OLYMPIC GAMES

Finland is building a new 100 KW short-wave transmitter for the 1940 Olympic Games, according to World-Radio. About twelve separate directional aerials will be provided. The transmitter will be ready for tests early next year.

According to the decision of the Olympic Games Committee the Winter Games will take place in Garmisch-Partenkirchen in January-February, 1940. German Broadcasting is fully prepared to make arrangements for the radio side, as all installations from the 1936 games are still on the spot.

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"Sport" Herrmann travelled widely, hunted, fished, sailed and collected a vast number of treasures, trophies and curios from all parts of the world, from the Indian mainly of the Pacific to the South Sea islands. His apartment on the thirty-first floor of Gimbel's Madison Ave. stores the place boasts a private museum room for and also to collectors all over the globe.

"Sport" was not only a travelling man, a sailor in his own right, one of the best of the great hunters, one of a vanishing still explorer, the late Charles Lindbergh, owed his success to the schooner "Sportsman".

As a result of his adventures in various parts of the world "Sport" developed a forceful and distinctive literary style. He became fascinated in literature and writings of all kinds. He was known in Chicago as the man dog of the literary world. He accordingly decided to continue in country under three different names, with different aims and conditions.

Several of "Sport's" adventure trips were made in the state "Illinois" in company with Commander McDonald, U.S. Navy, retired. In 1926 when Commander McDonald was in command of the cruiser "Perry" which was a part of the Dunkirk, Mediterranean expedition of that year, Mr. Herrmann accompanied the Commander on the time commanded his own ship, the "Sportsman".

Mr. Herrmann was interviewed recently while he was in the Chicago Commission of the United Fruit Company, a Director of the Chicago Branch, a Director of Dental Supply Corporation and other organizations. He is unmarried. And in his hobbies, as has been mentioned, will go to all lengths and expense, in a searching manner and there, to find and purchase in antiques, and in rare curios, trophies and knowledge in order that his life be lived a fully interesting.

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## PLANS BUILDING TWO NEW STATIONS FOR DIRECTOR SAYS

Project is building a new 300 KW short-wave transmitter for the Lake Tahoe Radio, according to Publicity. Short-wave separate distributed antenna will be provided. The transmitter will be ready for test early next year.

According to the Director of the Director Radio Commission the Water Radio will have plans to develop Tahoe-Sierra in land co-fences, 1936. Plans concerning is only among the to make arrangements for the entry side. As all information from the 1935 Radio are still on the road.

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## TESTS SHOW RADIO BETTER THAN TEACHER

In an experiment conducted in ten New York City Junior High Schools, Board of Education officials found that classroom radio broadcasts are more efficient than the ordinary teacher instruction, according to the New York Times.

Four thousand pupils participated in the experiment. Half this number heard radio broadcasts on health for one school term, while the other half, listed as the "control group", did not receive this supplementary program. The health broadcasts, sponsored by the American Medical Association and the National Broadcasting Company, included thirty weekly dramatized health lessons.

When the examinations were given at the end of the term it was found that the pupils who had heard the broadcasts were superior to those who did not get the radio lessons. The listeners had a 3 percent higher average in the health knowledge test over the non-listeners.

It was found, the report declared, that the radio reception in individual classrooms, using a small radio and small listening groups, was more satisfactory than radio receptions before larger groups in assembly halls, auditoriums or gymnasiums.

In classes where the teachers had the benefit of the radio broadcast script before the broadcast, the percentage of correct answers in the test proved to be higher compared to the groups of students who did not have this additional instruction.

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## NEW RADIO TRIED IN INDIAN VILLAGES

A new type of radio receiver for mass listening is being tested in India, according to the American Trade Commissioner at Calcutta.

"Much has been said in the past two years in regard to providing broadcast receiving sets to the unprivileged in India's many villages", he said. "In fact, several installations have been made which have not been entirely satisfactory for several reasons, viz. inaccessibility, service facilities and finding a set which approaches the point of being fool-proof.

"Reports are now to the effect that two village receivers have been manufactured by local concerns under the specification drawn up by the Research Department of All-India-Radio. These sets are now under test by the radio authorities to see if they will prove suitable for Indian villages and are the result of three years research by All-India Radio. They are super-het types with automatic gain control and are equipped with a special time switch. It will be interesting to watch this development as it may lead to several commercial opportunities for American part and accessory manufacturers."

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## TEST BUSY BACK BETTER THAN TRACKS

In an experiment conducted in two New York City junior high schools, Board of Education officials found that children radio broadcasts are more efficient than the ordinary teacher instruction, according to the New York Times.

Four students radio participants in the experiment. Half this number heard radio broadcasts on series for the school term, while the other half, listed in the "control group", did not receive this mechanical or screen. The series broadcasts, sponsored by the American School Council association and the National Broadcasting Company, included twenty-nine programs dealing with income.

When the results were given at the end of the term it was found that the pupils who had heard the broadcasts were superior to those who did not get the radio lessons. The listeners had a greater grasp of the subject, showed more interest in the health knowledge and for the non-listeners.

It was found, the report states, that the radio program, in individual classrooms, using a small radio and small listening groups, was more satisfactory than mass presentation after a short period in regular halls, auditoriums or gymnasiums.

In addition to the increase and the interest of the radio broadcasts series during the experiment, the percentage of correct answers in the test proved to be higher compared to the groups of students who did not have this educational instruction.

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## NEW RADIO PARTS TO BRING VILLAGES

A new type of radio receiver for use in isolated villages being tested in India, according to an American Trade Commissioner at Calcutta.

"Some bid been laid to the task up this in regard to providing receivers receiving sets to the inaccessible in India's many villages", he said. "In fact, several installations have been made which have not been entirely satisfactory for several reasons, viz. inaccessibility, service facilities and finally a set which approaches the value of using transistors.

"Experiments are now in the offing that will be conducted have been conducted by local concerns about the specifications drawn up by the research department of All-India Radio. These sets are now being tested by the radio authorities to see if they will prove suitable for Indian villages and are the result of three years research by All-India Radio. They are transistor type with automatic gain control and are equipped with a special battery. It will be interesting to note how successful it is and lead to further commercial opportunities for American and commercial manufacturers."

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CHARLIE MOWS 'EM DOWN AT WORLD'S FAIR

Charlie McCarthy, wise-cracking in characteristic fashion with Mayor LaGuardia, Grover A. Whalen and scores of other persons, was received with more spontaneous acclaim by the crowds at the World's Fair Monday than any other distinguished visitor since King George VI and Queen Elizabeth paid their visit a month ago, according to the New York Times.

"Although numerous celebrities - Cabinet members, Senators and Governors, distinguished foreigners, even including royalty, and men and women of outstanding accomplishments in many walks of life - have been entertained at the Fair since its opening, it took the little red-headed dummy with the top hat and the monocle to arouse the crowds to yesterday's high peak of enthusiasm," the Times said.

"Even the barkers in the amusement area halted long enough to crane their necks in Charlie's direction when his motorcade went past. Restaurants were temporarily halted while kitchen employees, waiters and customers hastened to doors and windows for a glimpse.

"A bodyguard of twenty World's Fair policemen - the same squad that guarded King George and Queen Elizabeth during their visit to the Fair - escorted Charlie and his partner, Edgar Bergen, through the grounds, and at times the blue-shirted policemen had their hands full holding back the enthusiastic admirers of the little comedian."

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NOTES

Short-wave international programs of the National Broadcasting Company appeared in a new form this week. The programs, in several languages, are printed on a single large sheet for clipping. Frank Mason, NBC Vice-President, is in charge of the international broadcasting activities of the network.

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Harry C. Butcher, Vice President of Columbia Broadcasting Company in Washington, and Louis Caldwell, prominent radio attorney, were among the prominent guests at a dinner given last week at the Burning Tree Country Club, near Washington, for District Commissioner George E. Allen.

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Station WABC New York outlet of the Columbia Broadcasting System, was silenced for three hours and thirty-one minutes beginning at 8:01 A.M. Monday, because of a power failure at the station's transmitter in Wayne Township, N.J. The rest of the network was not affected. The current supply was cut off when a short-circuit burned out the main circuit-breaker in the power supply room of the transmitter, causing a fire that lasted an hour.

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## CHARLIE BOYER 'GO BOOM' AT WORLD'S FAIR

Charlie Boyer, who-specializing in comedy-acrobatic feeding with more humorously, Boyer A. Boyer for laughs or other people, as a feeding with more spectacular including by the crowds at the World's Fair Sunday when an error distribution aviator, Prince King George VI and Queen Elizabeth said their with a month was, according to the Sun Times.

"Although numerous celebrities - Doctors members, senators and governors, distinguished foreigners, even Indiana Pacers, too - and shows of outstanding accomplishments in every walks of life - have been entertained at the fair since its opening, it took the little cop-dressed Boyer with the top hat and the monocle to prove the crowds to perhaps's high point of celebrities," the Times said.

"Even the security in the amusement area quickly lining crowds to grab. Boyer made by Charlie's direction when the motorcycle was gone. Reporters were frantically calling all airports and helicopter stations and hundreds hastened to doors and windows for a glimpse.

"A hopeful of finding World's Fair officials - the one person that guarded King George and Queen Elizabeth during their visit to the Fair - searched the air and all points, finally found them, on the ground, and at times the blue-suit and policemen had their hands full holding back the enthusiastic admirers of the little comedian."

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## NOTES

Sixty-two International students of the Bucknell University Summer Center assembled in a new dorm this week. The program is sponsored jointly by Bucknell and the Lewisburg Chamber of Commerce. The students, on a single visa, are from Germany, Great Britain, and Switzerland, to be guests of the Lewisburg community during the remainder of the summer.

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Harry C. Barnard, Vice President of Science Products Company in Montgomery, and Louis Stone, II, investment counselor attorney, were among the prominent guests at a dinner given last week at the Birmingham Country Club, near Birmingham, for Alabama Congressional candidate Carl E. Allen.

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Martin Luther King's wife, or the Grimke sisters, visiting Boyer, was attended the Lewis Lunch and Dairy-Queen Restaurant in Birmingham at 6:45 P.M. Monday, because of a power failure at the station's transmitter in Bogue Chemical. The Grimke sisters and the Lewis Lunch and Dairy-Queen were not affected. The outdoor circuit was not at fault, but a short-circuit burned out the main circuit-breaker in the power supply room of the transmitter, according to Jim Ward, station manager.

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## INDICTMENT RETURNED IN FLAMM EXTORTION

Allen Zoll, 43 years old, who became conspicuous recently through his activities in the American Patriots, an anti-radical organization, was arrested for the second time last Friday in the Criminal Courts Building on an indictment charging that he tried to extort $7,500 from Donald Flamm, President of Station WMCA, with an offer to call off the picket line of adherents of the Rev. Charles E. Coughlin.

The picketing began on Dec. 18th at the entrance to the station, 1,657 Broadway, after further use of its facilities had been denied to Father Coughlin. Zoll, it was charged, frequently appeared in the picket line with hundreds of Coughlin supporters on Sundays, but nothing developed after his arrest to indicate that he ever had been affiliated directly with the Coughlin broadcasts.

Zoll was taken on a bench warrant by Detective Edward D. Fitzpatrick, who is attached to District Attorney Thomas E. Dewey's office, after Zoll had appeared before Magistrate Dreyer in the Felony Court on a tentative charge.

The evidence on which the indictment was returned was presented by Robert H. Thayer, Assistant District Attorney. Mr. Flamm, Detective Fitzpatrick and Detective Joseph Petrosino, also of Mr. Dewey's office, were among the witnesses. Mr. Fitzpatrick, in an affidavit signed in the Felony Court at Zoll's arraignment last Saturday said that Zoll had been arrested that day in the Hotel Lexington after he had accepted $200 from the head of the radio station as the detectives watched.

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## DROP IN BRITISH LICENSES DISTURBS INDUSTRY

"The Financial News", of London, recently carried an article regarding the setback in radio licenses issued during April. The editor of "The Wireless and Electrical Trader" has made the following reference to the decline: "License returns, which seemed well on the way to the 9,000,000 mark, have taken a surprising turn, for the preliminary figures issued by the Post Office show a decline during April. There is bound to be a great deal of speculation in trade circles to account for the April drop, but the decrease is likely to be only temporarily and (in "The Trader's view) is no cause for alarm. It is almost certain that there are no fewer sets in use. The real worry will be for the Post Office and the B.B.C., whose revenue has fallen off. The present position is merely another reminder that in future the industry has to cater more definitely for the replacement market."

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## INDUSTRY REPORTS IN PLANS FIASCO

Allen Jill, 45 years old, was found guilty yesterday through his arrival in the meeting yesterday, on anti-monopoly grounds. He appeared for the second time Jill Trudy in the Criminal Court building on an indictment charging that it is being to extract $7,500 from Donald Chase, President of Lighton Tech, via an order by Jill for the secret line of educators of the Rev. Charles F. Dowdin.

The plaintiffs began on Dec. 1948 in the defense to the station, in 1947 Sunday, after Fathers Day. If the realities had been denied to Vesper Douglas Jill, in an emergen, frequently appeared in the Lighter Line with members of Jewish, monopoly on Sundays, but nothing developed after the arrest by the State that he ever had been affiliated directly with the Pulaski Broadcasts.

Jill was taken to a room reserved by Dr. Lyle Edward D. Stapleton, who is attached to Detroit Airport. Chief Dawey's office, after Jill had appeared before Municipal Lawyer in the Velvet Court in a Jackson charge.

The evidence on which the indictment is founded is presented by Robert G. Thorn, Assistant District Attorney. Mr. Chase, Detective Lieutenant and Detective Sergeant, also of the Dawey's office, were among the witnesses. Mr. Stapleton, in an affidavit signed by the Grand Court on July 17, arraignment that Patrick said that Jill had been arrested that day in the Hotel Lexington after he accepted $500 from one Mark of the Radio station in the defendant's behalf.

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## SEE IT ACTUAL LIGHTED GIANT TOMORROW

"The Financial Times", of London, recently printed an article regarding the problems in their Illinois issued during month. The author of "The Third Dimension Transport Tower" has made the following reference to the Chicago Tribune building, which means all go the way to the 2,000,000 area, more than a surprising turn, for the preliminary figures I saw of the Zone office show a decline during month. There is bound to be a great deal of speculation in local circles to account for the April drop, but the decrease is likely to be only temporarily and in "The Times" view is no cause for alarm. It is almost certain that there are no plans for the. The real story will be for the Post Office and the D.C. Post Service are Fallen off. The present position is mostly speculation, however, but in future the industry has to meet more carefully for the requirement under.

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## ZENITH GETS PATENT ON "WAVEMAGNET"

Zenith Radio Corporation, Chicago, has obtained a U. S. patent on its new invention, "The Detachable Wavemagnet", which is built into the back of the new Zenith portable.

The cover containing the Wavemagnet may be snapped off the set and by means of rubber suction cups may be fastened to the window of a railroad car, steamer, airplane, automobile, bus or other conveyance, with the assurance that excellent radio reception will be obtained, despite the usual obstructive shielding effect on ordinary portables of such metal-constructed vehicles.

The new Zenith portable with Detachable Wavemagnet is said to be effective also for office buildings, apartment houses and otheredifices where reception is difficult owing to a preponderance of metal in the building construction, or where the erection of outside aerials is either impractical or forbidden by the owners.

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## AUSTRALIA TO MAKE OWN TRANSMITTING VALVES

The manufacture in Australia of radio transmitting valves will soon be undertaken by Amalgamated Wireless (A'sia.) Limited, according to the American Trade Commissioner at Sydney.

Tubes for radio receiving sets have been made in Australia for several years, but up to this time Australia has depended entirely on imports for its requirements of transmitting tubes. The Chairman of Amalgamated Wireless (A'sia.) Limited is reported to have said that he regarded transmitting tubes as being of as much importance in an emergency as actual munitions, and that his company intended to commence their manufacture of transmitting tubes, hoping to progressively develop the industry until Australia is able to produce even the largest of water-cooled transmitting tubes.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF JULY 14, 1939.



No. 1140

TEETH PULLED FROM CODE ADOPTED BY NAB

With most of its teeth extracted, a modified code of standards for self-regulation of the broadcasting industry was adopted by the National Association of Broadcasters this week at Atlantic City.

The code, as revised, is in much less specific language in its regulatory provisions than was the document drafted by a special committee a few weeks ago. Several provisions, such as those prohibiting dramatized political broadcasts and setting up standards of business ethics for the industry, were eliminated.

Portions of the code dealing with religious broadcasts, news commentators, and children's programs have been toned down from the original proposals.

The code does retain the proposed prohibition against the sale of radio time for controversial discussions and proscribes that member stations shall allot free time to all factions equally for such public forums.

A limitation of advertising time on programs in proportion to the length of the period likewise has been retained.

A resolution subsequently adopted by the convention sets forth specifically certain unethical types of advertising that cannot be accepted by member stations.

Although the original code was scheduled to become effective coincident with the return to standard time, the new code will become operative at a time and under machinery to be determined by the Board of Directors.

Promulgation of the NAB code was an outgrowth of FCC hearings last Fall in the chain-monopoly inquiry at which time David Sarnoff, President of the Radio Corporation of America, proposed that the industry adopt a code of self-regulation.

The text of the new NAB code follows:

"CHILDREN'S PROGRAMS

"Programs designed specifically for children reach impressionable minds and influence social attitudes, aptitudes and approaches and, therefore, they require the closest supervision of broadcasters in the selection and control of material, characterization and plot.

# TEXTS TAKEN FROM CODE ADOPTED BY NAB

With much of its teeth extracted, a modified code of standards for self-regulation of the broadcasting industry was adopted by the National Association of Broadcasters this week at Atlantic City.

The code, as revised, is in such less specific language in its regulatory provisions than was the document drafted by a special committee a few weeks ago. Several provisions, such as those prohibiting unwarranted political broadcasts and setting up standards of business ethics for the industry, have disappeared.

Portions of the code dealing with religious broadcasts, news commentators, and station's programs have been toned down from the original proposals.

The code does retain the proposed prohibition against the sale of radio time for controversial discussions and provides that member stations shall allot free time to all factions equally for such public forums.

A limitation of advertising time on programs in proportion to the length of the period allotted has been retained.

A resolution unanimously adopted by the convention sets forth specifically certain undesired types of advertising that cannot be accepted by member stations.

Although the original code was modified to become effective coincident with the return to standard time, the new code will become operative at a time and under machinery to be determined by the Board of Directors.

Promulgation of the NAB code was an outgrowth of the meetings last fall in the Radio-Industry Council at which time David Sarnoff, President of the Radio Corporation of America, expressed that the industry adopt a code of self-regulation.

The full text of the NAB code follows:

"PROGRAMS PROPER

"Programs designed specifically for children must impressionable minds and in focuse social attitudes, aptitudes and appreciations and, therefore, they require the closest supervision of broadcasters in the selection and control of material, characterization and plot.

"This does not mean that the vigor and vitality common to a child's imagination and love of adventure should be removed. It does mean that programs should be based upon sound social concepts and presented with a superior degree of craftsmanship; that these programs should reflect respect for parents, adult authority, law and order, clean living, high morals, fair play and honorable behavior. Such programs must not contain sequences involving horror or torture or use of the supernatural or superstitious or any other material which might reasonably be regarded as likely to over-stimulate the child listener, or be prejudicial to sound character development. No advertising appeal which would encourage activities of a dangerous nature will be permitted.

"To establish acceptable and improving standards for children's programs, the National Association of Broadcasters will continuously engage in studies and consultations with parent and child study groups. The results of these studies will be made available for application to all children's programs.

"CONTROVERSIAL PUBLIC ISSUES

"As part of their public service, networks and stations shall provide time for the presentation of public questions including those of controversial nature. Such time shall be allotted with due regard to all the other elements of balanced program schedules and to the degree of public interest in the questions to be discussed. Broadcasters shall use their best efforts to allot such time with fairness to all elements in a given controversy.

"Time for the presentation of controversial issues shall not be sold, except for political broadcasts. There are three fundamental reasons for this refusal to sell time for public discussion and, in its stead, providing time for it without charge.

"First, it is a public duty of broadcasters to bring such discussion to the radio audience regardless of the willingness of others to pay for it.

"Second, should time be sold for the discussion of controversial issues, it would have to be sold, in fairness, to all with the ability and desire to buy at any given time. Consequently, all possibility of regulating the amount of discussion on the air in proportion to other elements of properly-balanced programming of allotting the available periods with due regard to listener interest in the topics to be discussed would be surrendered.

"Third, and by far the most important, should time be sold for the discussion of controversial public issues and for the propagation of the views of individuals or groups, a powerful public forum would inevitably gravitate almost wholly into the hands of those with the greater means to buy it.

"The political broadcasts excepted above are any broadcasts in connection with a political campaign in behalf of or against the candidacy of a legally qualified candidate for nomination or

election to public office, or in behalf of or against a public proposal which is subject to ballot. This exception is made because at certain times the contending parties want to use and are entitled to use more time than broadcasters could possibly afford to give away.

"Nothing in the prohibition against selling time for the presentation of controversial public issues shall be interpreted as barring sponsorship of the public forum type of program when such a program is regularly presented as a series of fair-sided discussions of public issues and when control of the fairness of the program rests wholly with the broadcasting station or network.

"EDUCATIONAL BROADCASTING

"While all radio programs possess some educative values, broadcasters nevertheless desire to be of assistance in helping toward more specific educational efforts, and will continue to use their time and facilities to that end and, in cooperation with appropriate groups, will continue their search for improving applications of radio as an educational adjunct.

"NEWS

"News shall be presented with fairness and accuracy and the broadcasting station or network shall satisfy itself that the arrangements made for obtaining news insure this result. Since the number of broadcasting channels is limited, news broadcasts shall not be editorial. This means that news shall not be selected for the purpose of furthering or hindering either side of any controversial public issue nor shall it be colored by the opinions or desires of the station or network management, the editor or others engaged in its preparation or the person actually delivering it over the air, or, in the case of sponsored news broadcasts, the advertiser.

"The fundamental purpose of news dissemination in a democracy is to enable people to know what is happening and to understand the meaning of events so that they may form their own conclusions and, therefore, nothing in the foregoing shall be understood as preventing news broadcasters from analyzing and elucidating news so long as such analysis and elucidation are free of bias.

"News commentators as well as all other news casters shall be governed by these provisions.

"RELIGIOUS BROADCASTS

Radio, which reaches men of all creeds and races simultaneously, may not be used to convey attacks upon another's race or religion. Rather it should be the purpose of the religious broadcast to promote the spiritual harmony and understanding of mankind and to administer broadly to the varied religious needs of the community.

attention to public critics, or in behalf of or against a public proposal which is subject to action. This consideration is more obvious at certain times the commercial media may to use and are entitled to use more than they broadcasting media usually afford to give away.

Nothing in the prohibition against selling time for the presentation of controversial public issues shall be interpreted as barring sponsorship of the public time type of programs when a program is regularly presented as a series of discussions if, however, if public issues are not material to the relevance of the program rests solely with the broadcasting station or network.

"EDUCATIONAL PROGRAMMING

"While all radio programs should be of educational value, broadcasters nevertheless seems to be of paramount importance to some specific educational efforts, and will continue to use their time and facilities to that end, in cooperation with appropriate groups, with continue their efforts for providing applications of radio as an educational element.

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"The commercial support of news broadcasts is a necessary is to enable people to know what is happening and to understand the meaning of events so that they may form their own conclusions and therefore, nothing in the foregoing shall be construed to prohibit broadcasting news programs from selling or disclosing as long as such activity and disclosure are not misleading.

"News commentators as well as editorial news reviews should be governed by these provisions.

"RELIGIOUS PROGRAMS

Radio, which reaches men of all creeds, can be a strong educational, and not to mention a powerful attitude upon religion or a very or religious. Hence it should be the purpose of the religious broadcaster to provide the spiritual nourishment and inspiration of people and to administer towards the moral religious needs of the community.

"COMMERCIAL PROGRAMS AND LENGTH OF COMMERCIAL COPY

"Acceptance of programs and announcements shall be limited to products and services offered by individuals and firms engaged in legitimate commerce, whose products, services, radio advertising, testimonials and other statements comply with pertinent legal requirements, fair trade practices and accepted standards of good taste.

"Brief handling of commercial copy is recommended procedure at all times.

"Member stations shall hold the length of commercial copy, including that devoted to contests and offers, to the following number of minutes and seconds:

"Daytime

Fifteen-minute programs - 3:15
Thirty-minute programs - 4:30
Sixty-minute programs - 6:00

"Exceptions

"The above limitations do not apply to participation programs, announcement programs, "musical clocks", shoppers' guides and local programs falling within these general classifications.

"Because of the varying economic and social conditions throughout the United States, members of the NAB shall have the right to present to the NAB for special ruling local situations which in the opinion of the member may justify exceptions to the above prescribed limitations.

"Resolved, That the National Association of Broadcasters in convention assembled hereby adopts the code as presented; and

"That the incoming Board of Directors be authorized to devise the machinery necessary to insure compliance of members with the code and to determine date of taking effect."

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GEDDES HONORED BY TRADE EXECUTIVES

Bond Geddes, Executive Vice President-Secretary of the Radio Manufacturers' Association, has been elected Vice President of the Washington Trade Association Executives, comprising over 300 representatives of trade organizations represented in the National Capital. Mr. Geddes has been active in the work of industrial organizations, and last Fall was elected to the Board of Directors of the American Trade Association Executives, the national organization.

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FTC READY TO ISSUE RADIO FAIR TRADE RULES

Final action has been taken by the Federal Trade Commission on the long-pending fair trade practice rules for the radio manufacturing industry, according to Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association. The rules are scheduled for announcement and official promulgation next week.

There is no advance information on the merchandising rules and advertising practices which will be contained in the Commission's final decision. Rules under consideration have covered use of the terms "all wave", "world wave" and similar advertising; use of "push money" or "spiffs"; advertising of "ballast" tubes, and prohibition of commercial bribery, defacement of trade marks and other practices.

The Commission's decision will come almost exactly four years after initiation of proceedings by the RMA set Division, when Arthur T. Murray was Chairman, in July 1935. The final public hearing in the ensuing trade practice "conference" was held December 7, 1937.

What virtually amounts to a merchandising code governing all interstate sales of radio will be incorporated in the "fair trade practice rules" to be promulgated by the Commission. The rules will represent the Commission's final decision and opinions of the law governing interstate sales and advertisement of radio.

Although originally proposed to apply only to receiving set manufacturers, since the initiation of the proceedings four years ago the Commission's jurisdiction has been enlarged by the Robinson-Patman and Wheeler-Lea Acts, so that the new rules will apply to distributors and any dealers selling radio in interstate commerce as well as manufacturers, and to tubes and accessories as well as receiving sets, according to information from Commission officials.

Promulgation by the Commission and publication of the radio "fair trade practice" rules in "The Federal Register" will be the final action in the long-pending proceedings. The Commission also will send notices to individual radio companies asking for their acceptance, or "adherence", to the rules but with no time limit for such individual company action. Involved, however, are several citations against individual companies which have been suspended under the proceedings for the industry trade practice conference.

A set of proposed rules was submitted by RMA on August 29, 1935. The first public hearing before the Commission was held April 7, 1936. Tentative rules of fair trade practice were proposed by the Commission on November 22, 1937, but these were disapproved by the RMA Board of Directors and a simpler codification of rules urged by the Association at the final hearing December 7, 1937. James M. Skinner, of Philadelphia, was Chairman of the RMA

special committee in the final proceedings, which have been under advisement by the Commission over a year. Also participating in the development of the rules was the special RMA Committee on Fair Trade Practices of which Commander E. F. McDonald, President of the Zenith Radio Corporation, of Chicago, is Chairman.

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## UNETHICAL ADVERTISING BARRED BY NAB RESOLUTION

Supplementing the code of ethics adopted for the broadcasting industry, the National Association of Broadcasters adopted a resolution specifying 13 types of unethical advertising that member stations should not accept. The resolution follows:

"Whereas, the phrase 'accepted standards of good taste' as used in the N.A.B. Code is possible of different interpretations in different parts of our country, and, whereas a more or less uniform interpretation is necessary because in radio broadcasting wide areas often are covered, therefore, be it resolved

"That any interpretation of the phrase 'accepted standardards of good taste' shall, in addition to the common interpretation such phrase would have in any community, include the following;

"Member stations ahll not accept for advertising:

"1. Any spiritous or 'hard' liquor.
"2. Any remedy or other product the sale of which, or the method of sale of which constitutes a violation of the law.
"3. Any fortune telling, mind reading, character reading, by handwriting, numerology, palm reading, or astrology, or advertising related thereto.
"4. Schools that offer questionable or untrue promises of employment as inducements for enrollment.
"5. Matrimonial agencies.
"6. Offers of 'homework' except by firms of unquestionable responsibility.
"7. Any race-track 'dopester', or tip-sheet publication.
"8. All forms of speculative finance. Before member stations may accept any financial advertising it shall be fully ascertained that such advertising and such advertised services comply with all pertinent Federal, State and local laws.
"9. Cures and products claiming to cure.
"10. Advertising statements or claims member stations know to be false, deceptive or grossly exaggerated.
"11. Continuity which describes, repellently, any functions or symptomatic results of disturbances or relief granted such disturbances through use of any product.
"12. Unfair attacks on competitors, competing products or upon other industries, professions or institutions.
"13. Misleading statements of price or value or misleading comparions of price or value."

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## LOTTERY SALES OF RADIOS HIT BY FTC ORDER

The Federal Trade Commission has ordered James I. Silver, trading as Silver Manufacturing Company, Silver Sales Company, and World-Wide Radio Company, 2868 Elston Ave., Chicago, to discontinue misleading representations and lottery methods in selling radios, fountain pens and other novelty merchandise.

Radios were found to have been represented in a fashion tending to deceive buyers into believing they were R.C.A. sets, when in truth only tubes or other parts had been made by a manufacturer operating under a limited R.C.A. license.

It was also found that the respondent advertised to the effect that his agents could obtain radio sets from the respondent at factory prices and save up to 50 per cent, when in fact the respondent was not the manufacturer of the sets offered but only the middle-man and did not sell radios at factory prices or at the saving advertised.

The Commission's order directed the respondent to cease representing directly or by inference that radios not made by the Radio Corporation of America are "R.C.A." radios; that the respondent is a manufacturer, until that is a fact and that his purchasers obtain a 50 per cent or other saving, and to cease implying that merchandise supplied to agents is free when they are required to pay therefor or perform certain services to obtain it.

The order also prohibits the sale of merchandise by lottery or the supplying to others of lottery devices for use in such sale.

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## ONLY "SAMPLE" RADIO CENSUS IS EXPECTED

The Census Bureau probably will not include a count of radio sets in the 1940 population census, according to present indications and despite the requests of the Federal Communications Commission. Lack of funds and facilities are grounds given for probable omission of radio ownership questions. A "sample" or partial census of radio ownership, however, may be taken by the Government.

The Radio Manufacturers' Association and the National Association of Broadcasters have been supporting the FCC request for a count of radio sets in the 1940 census. The Commission stressed that data would assist in securing valuable information on set ownership and in dealing with licensing problems. Census officials, however, state that similar requests have been received for forty similar commercial tabulations and that it appears impossible to provide a radio census, except in limited scope, next year. In the previous 1930 census the RMA secured inclusion of a question on radio set ownership.

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7/14/39

CONGRESS GETS S-W BILL AS FCC HEARING OPENS

As a public hearing opened before the Federal Communications Commission on one section of the new rules governing international broadcasts by U. S. radio stations, Representative Cochran (D.), of Missouri, introduced a bill in the House to repeal the restrictions.

The National Association of Broadcasters, meeting in Atlantic City, adopted a resolution opposing the FCC rules as its special counsel, Swager Sherley, and others attacked the regulation at the hearing.

The hearing was restricted only to the section of the FCC international rules relating to the type of programs that must be broadcast. Among those who were represented at the hearing were:

Westinghouse Electric & Manufacturing Co., by G. S. Law, E. D. Johnston, H. L. Lohnes and F. W. Albertson; National Association of Broadcasters, by Swager Sherley; Columbia Broadcasting System, by Paul A. Porter; Crosley Corporation, by Duke M. Patrick; General Electric Company, by L. D. Coffman; Isle of Dreams Broadcasting Corporation, by H. L. Lohnes; National Broadcasting Company, by P. J. Hennessey, Jr.; WCAU Broadcasting Co., by Paul A. Porter; National Committee on Education, by S. H. Evans, Secretary; and World Wide Broadcasting Corporation, by M. M. Jansky and A. B. Landa.

The hearing, granted upon petition of the American Civil Liberties Union, will involve the question of whether Section 42.03(a) of the rules applicable to International Broadcast Stations should be modified, revised or amended. These rules, which apply only to stations operating on the frequencies assigned to international broadcast stations were issued on May 23, 1939, and have been effective since that date.

Section 42.03(a) follows:

"A licensee of an international broadcast station shall render only an international broadcast service which will reflect the culture of this country and which will promote international goodwill, understanding and cooperation. Any program solely intended for, and directed to an audience in the continental United States does not meet the requirements for this service."

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7/14/39

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The hearing, presided over yesterday by the executive Civil Liberties Union, will involve the application of Section 12,G(1e) of the radio communications conference. Broadcast stations should be realized, revoked or renewed. These rules, which apply only to stations operating in the frequencies assigned to international broadcast stations, were issued on May 05, 1939, and have been effective since that date.

Section 12.G(1e) Reads:

"A license of an international broadcast station shall remain only on authorized broadcast service which will reflect the culture of this country and will promote international goodwill, understanding and cooperation. Any program which is broadcast, and directed to a foreign country in the continental United States, shall be deemed the requirements for this service."

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NAB ENDS CONVENTION WITH ELECTIONS

With the election of five Directors at large, the National Association of Broadcasters ended its annual convention at Atlantic City on Thursday.

Among the resolutions adopted was one thanking the Federal Communications Commission for extending the license period of radio stations from six months to a year. The resolution stated, however, that the NAB will continue to fight for a three-year license as allowed by law.

The broadcasters decided to seek a solution with the radio manufacturers of the dispute over the push-button type sets, the sale of which "will in five years, at the present rate of distribution, seriously reduce possible listening audience of independent stations".

Directors-at-large elected by the Association were Frank M. Russell of Washington; Harold Hough, of Fort Worth, Texas; George Norton, of Louisville, Ky.; Don Elias of Asheville, N.C.; John Elmer of Baltimore, and Harry Spence of Aberdeen, Wash.

The Board of Directors announced that it would establish a detailed plan of code compliance which will be announced at the next meeting of the Board in September.

One of the highlights of the convention was an international broadcast in which the movies and newspapers were represented Wednesday night.

Neville Miller, President of the Association, spoke at the dinner and introduced Will Hays, President of the Motion Picture Producers and Distributers of America, who spoke from Hollywood, and James G. Stahlman, publisher of The Nashville Banner and former President of theAmerican Newspaper Publishers' Association, who talked from London, England.

The program went on the air over a National Broadcasting Company hook-up.

"I am told that we are making radio history tonight", Mr. Miller said. "This is the first time that the radio and the motion pictures and now the press have addressed you from the same radio program. It is significant, I believe, because it marks the first time that the appointed leaders in these three fields step before you on common ground. The cornerstone of each industry - the press, the motion picture and the radio - is based on the constitutional guarantee of freedom of speech and freedom of press. We have but to look abroad to see what happens in the destruction of human liberties when these guarantees are taken away."

Mr. Stahlman said it was the obligation of the radio, screen and press to maintain their freedom. "With Europe gone haywire", he declared, "you of the radio and screen and we of

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the press have no higher obligation to the American people than to oppose every effort from within and without to encroach on man's right to think, speak and worship as he pleases."

Mr. Hays stressed the freedom of the motion picture in America.

The Copyright Committee of the Association was authorized to enter into negotiations for a new contract with the American Society of Composers, Authors and Publishers, to take effect when the present one expires on Dec. 31, 1940. The broadcasting stations pay the Society for the use of music on which it holds copyrights.

"The Copyright Committee", the resolution further stated, "if in its judgment no good purpose is served by postponement of its dead-line, is authorized to prepare such measures as are necessary and expedient to enable the industry to provide sufficient music for its requirements without ASCAP on the expiration of the existing ASCAP contract."

A paper by Orrin E. Dunlap, Jr., Radio Editor of the New York Times, on "Television, Facsimile, Their Future Effect on Broadcasting", was read to the delegates by Edward M. Kirby, Director of Public Relations of the Association. Mr. Dunlap was unable to attend the meeting.

Stephen Early, Secretary to President Roosevelt, addressed the Association Tuesday on "Radio and Its Relation to the Government" at the morning session. He told the delegates that "so long as radio serves democracy it will remain free" from censorship. He emphasized, however, "that this is solely my personal belief."

"The myth of censorship and the fallacy that broadcasters goose-step to official pressures seem to a side-line observer to be the twin bogey-man of radio", Mr. Early said. "In my opinion freedom from official censorship, freedom from domination by any administration or political party rests with the radio itself. So long as its operations reflect the 'doctrine of fair play' as expressed by the statutes governing political broadcasts, so long as programs are interesting, informative and clean - in brief, so long as radio serves democracy, it will remain free.

"No columnist, interpreter or broadcaster who misinterprets, misquotes or invents news out of a clear, blue sky survives long. The good sense of the American people catches on to the fact that he is a perverter rather than a purveyor of news. In the same way the American people soon lose confidence in the type of individual who seeks to stir up prejudice against race, against religion or against color. Thus I can conceive of no permanent danger within our country, even though great temporary harm is often done to our national welfare by such people."

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## TRADE NOTES

Appointment of Anton Bundsmann, a veteran of fifteen years' experience in the Broadway theater and in motion pictures, and Donald Davis, stage and motion picture writer, to the television staff of the National Broadcasting Company, has been announced by Thomas H. Hutchinson, manager of NBC's Television Program Division. Mr. Davis will be television's first staff script writer.

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The story of how radio, unknown 20 years ago, has come to be the greatest factor, next to eating and sleeping, in the lives of 99,000,000 persons in the United States, will be presented in a series of eight programs over Columbia Broadcasting System's nationwide network beginning Monday, July 17, from 9 to 9:30 P.M., EST. The series is to be called "So This Is Radio."

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Maj. Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America, warned against the threatened loss of traditional American freedom in an address this week at the University of Virginia Institute of Public Affairs, Charlottesville, Va.

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Use of lottery methods in the sale of fishing tackle, silverware, rifles, radios, cups, blankets and other articles is alleged in a Federal Trade Commission complaint issued against Rose Greenberg, trading under the name of Central States Supply Company, 537 South Dearborn St., Chicago. The respondent is alleged to have furnished others with push cards for use in the sale of her merchandise to ultimate consumers.

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Gerald Maulsby, formerly Assistant Director of Program Operations for the Columbia Broadcasting System, has been appointed Production Manager for the network. He succeds John S. Carlile, who recently resigned following an extended leave of absence. LeRoy Passman, who has been serving as Maulsby's assistant, takes over his former duties. Both new appointments take effect immediately.

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The Federal Communications Commission this week granted permits for the erection of three new broadcasting stations. The applicants are: Richland, Inc., Mansfield, O., for 1370 kc., 250 watts power, daytime only; Northwest Broadcasting Co., Fort Dodge, Ia., 1370 kc., 250 watts, daytime, and 100 watts at night, specified hours; Coastal Broadcasting Co., Brunswick, Ga., 1500 kc., 250-100 watts power, unlimited time.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.





INDEX TO ISSUE OF JULY 18, 1939.



No. 1141

July 18, 1939.

FCC GIVES MILLER THE HEAT

Resenting the letter of protest he had written them in connection with the alleged "censorship" international broadcast ruling, the Federal Communications Commission last Friday gave to Neville Miller, President of the National Association of Broadcasters the most merciless grilling the FCC has ever given to any representative of the radio industry. Declaring time and again that there was no intention on his part to offend the Commission, Mr. Miller suffered further embarrassment in his lack of knowledge of international broadcasting. The witness readily admitted this, pleading that he had not been connected with radio long enough to familiarize himself with all phases of the work.

Nevertheless he was kept on the stand the better part of the morning session and for the entire afternoon - going over and over the same ground for almost five hours. Although the cross-examining was done mostly by William J. Dempsey, FCC General Counsel, and Commissioner Frederick I. Thompson, the Commissioners, sitting solemn as owls in the borrowed finery of one of the palatial Federal Trade Commission air-cooled hearing rooms, seemed to approve.

Also evidently air-cooled were questions asked by the Commission with regard to the Broadcasters' recent convention at Atlantic City, the first in the history of radio regulation to which no member of the Communications Commission had been invited to speak.

"We would have been afraid to go", one Commissioner remarked to this writer, "for fear that they might have thrown something at us."

Resentment on the part of the FCC towards Mr. Miller was very marked and one got the impression that the ire of the Commission was thoroughly aroused and that it proposed to take no orders from him or anyone else connected with the National Association of Broadcasters.

Mr. Miller testifying at the hearing, said the first indication he received that the Commission had these new international rules in mind was a telephone call from Ed Kirby, Director of Public Relations. "Where he heard about it I couldn't say."

Commissioner Thompson seemed to regard this as divulging confidential information regarding the Commission and requested that Mr. Kirby be called to explain this when Kirby returned from Atlantic City.

Following publication of editorials in newspapers accusing the Commission of censorship, Mr. Miller said he received a number of telephone calls from various broadcasters. Asked by Commissioner Thompson to name the callers, the witness said he could not do this. "Can't you name a single one? If not, can you give the number?" Mr. Miller said it was approximately ten or fifteen.

"I was merely wondering", Mr. Thompson answered, "who felt there was going to be an orgy of censorship and who it was who was so terribly excited over the question."

Mr. Thompson inquired as to whether or not Mr. Miller inspired any of the numerous critical newspaper editorials. He declared that Mr. Miller was active in having this letter, with severe strictures as to the attitude of the Commission, inserted in the Congressional Record.

Swagar Sherley, Counsel for NAB, sought to deny this. Mr. Thompson said he was trying to find out whether the obnoxious letter to the FCC reflected the individual views of Mr. Miller or a small group of members or if it truly reflected the sentiment of the 428 members or 23 members of the Board of Directors.

Mr. Miller said he had not consulted with the Board or the members before sending the letter.

With regard to the News Review, issued by the NAB from time to time containing newspaper editorials on the subject of radio, Mr. Dempsey asked if it was the policy of the broadcasters to select one-sided editorials. Mr. Miller said it was not.

At one stage of the proceedings, Mr. Dempsey, showing considerable impatience, declared, "Mr. Miller is very disappointing. He apparently knows nothing about any of the issues involved."

In connection with a pamphlet "Censorship of International Broadcasts" which the broadcasters distributed, Mr. Thompson endeavored to bring out the fact that it had inspired further editorials criticizing the Commission. This pamphlet went to a mailing list of 3000 which, besides the Association membership, included a large number of newspapers and 400 members of Congress.

There was a flare-up when Mr. Sherley protested against the treatment of the witness. "If my memory was quite as accurate as it should be", he said, "I might recall Star Chamber proceedings of an earlier day because someone had been critical of the action of the government."

Commissioner Payne interjected: "Do you wish to let stand your characterization of the examination by Mr. Thompson as Star Chamber proceedings?"

"I am willing to let stand my statement that I think the courtesy shown the witness has been rather conspicuous by its absence", Mr. Sherley retorted.

"Mr. Sherley, would you say that the courtesy, as shown by Mr. Miller when he wrote the letter to the Commission originally and published it before it was delivered to the Commission, was conspicuous by its absence?" Commissioner Case replied heatedly.

Subsequently Mr. Miller said: "It is certainly my desire to cooperate with the Commission in every way. Ever since that letter has been issued which, in my mind, I intended no discourtesy, I have been told of the terrible thing I have done. I tried to indicate to the Commission this morning that if I had overstepped the bounds, which I did not think I had, but if I had, I was certainly sorry. But I think, on the other hand, that I, as a citizen, and I as the President of the National Association of Broadcasters have certain rights that I am going to fight for, here or anywhere else, and I hope I can fight for those rights without being interpreted as being disrespectful to a public official."

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CULTURE STUMPS THEM - WHAT IS IT?

As was the case with several other witnesses the question of just what was meant by "culture" in the FCC international broadcast ruling seemed to have Frederic A. Willis, Assistant to the President of Columbia, and in charge of their short wave operations, guessing. Mr. Willis had told the Commission about the different kinds of programs Columbia broadcast.

"Can you state whether, in your opinion, these programs reflect the culture of this country?" the radio executive was asked.

"I can't say definitely", was the reply. "I have spent, since 1930 to 1939 - I have been in many discussions, probably at least 30, with many leading educators endeavoring to find out and to define what educational broadcasting is. I presume I would have just as much difficulty in trying to define and find out what American culture was."

Also Mr. Willis was quite frank in telling the Commission that he therefore didn't know what their new international rule meant.

"Do you know if you have been violating the rule?"

"No", Mr. Willis replied.

"Do you know what the rule means?"

"No", he again answered.

"Mr. Sherlock, would you say that the country is going to the Utility when he made the letter to the President personally and publicized it during it was delivered to the Committee, and consequently by its absence?" Representative Dies replied heatedly.

Subsequently to Hilter said: "It is certainly my desire to cooperate with the Committee in every way. Ever since that letter has been issued which, in my opinion, I happened to be overzealous, I have done, only in the interest of being fair. I tried to indicate to the Committee this morning that if I had overstepped the bounds, which I did not think I had, but if I had I was certainly sorry. As I stated, in the letter, that I, as a citizen, and I am President of the National Association of Manufacturers have certain rights that I am using, by right, date or address elsewhere, and I hope I can right for those rights without being interpreted as being disrespectful to a public official."

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## Future Social Work - What Is It?

As one of the very general ideas advanced in opposition to Dr. Ellis's plan was that the "Failure" of the CCC indicated the inadequacy of using means to come to relief a Utility, appointed by the President of Utility, and by means of Utility funds and conditions, however, Dr. Ellis said that the Committee about "to carry out plans in proper, Utility's and the President's opinion."

"You are also, Chairman, in your opinion, going to carry out perhaps the wishes of this country?" the Public asked Mr. Hilter.

"I would say certainly, yes, yes, yes." Mr. Hilter said, "I have tried to have, I have, in my letter, in my dictation, I may be lost to, what may happen, but I have tried to carry out and to carry that consideration. I, I, I, I would have, just as soon, certainly in trying to carry out that, that, that, that."

Also Mr. Hilter, in quite frank to indicate the Committee that he therefore stated, he was what Public was interpreted this record.

"Do you have if you have been been criticized for which?"

"No", Mr. Hilter replied.

"Do you have that its rule been?"

"No", he again replied.

Mr. Willis was asked if there has ever been any attempt by anyone to censor any program broadcast.

"Not to my knowledge", was the answer.

"From any official source or otherwise?"

"Not at any time."

"You have had complete freedom in the choice and selection of program material?"

"Entirely."

Later in the hearing, Mr. Willis was asked what he conceived to be the most significant trend that he had observed in analyzing the mail Columbia received from listeners.

"I should think that by far the most frequent comment is commendation for and appreciation of the uncensored news broadcasts which European listeners and South American listeners and every section of the world receive from this country."

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FCC TAKES TO COVER ON CENSORSHIP RULE

Shot full of holes by Congress, the newspapers, and the broadcasters, no surprise was occasioned when the Federal Communications Commission ran up the white flag by suspending the "censorship" rule that international broadcasts reflect the "culture of this country and promote international good-will." Although supposed to be suspended temporarily the rule is a very dead rabbit and the Commission hopes it has heard the last of it.

"The FCC, of course, never intended censorship but through a carelessly written rule simply pulled a boner", a high official said. "Neville Miller, President of the Broadcasters pulled another boner just as bad. Both the Commission and Miller were wrong. The thing should never have happened. Nevertheless it did, and the net result is an additional black mark against the Commission in the public mind and in Congress."

Although expected to run much longer, the "censorship" hearing which began last Friday morning was concluded Monday afternoon. The Commission will announce its findings later.

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## ALL S-W STATIONS RESPOND TO COMMISSION CALL

There was an outstanding attendance of high officials in the radio industry at the Federal Communications Commission international short-wave hearings.

Among those present were:

The Radio Corporation of America: Dr. C. B. Jolliffe and Oswald F. Schuette; R.C.A. Communications, F. P. Guthrie, Washington Manager; National Broadcasting Company: Frank Mason, VicePresident in Charge of International Broadcasting, Judge A. L. Ashby, Vice-President and General Counsel, Frank M. Russell, Vice President, P. J. Hennessy, Jr., Counsel, Guy C. Hickok, Short Wave Director; Columbia Broadcasting System: Frederic A. Willis, Assistant to the President and in charge of International Broadcasting, Harry C. Butcher, Vice President, Miss Tucker, Director of International Broadcasting, E. K. Cohan, Chief Engineer, and Paul Porter, Counsel; General Electric Company: Boyd W. Bullock, Assistant General Manager of International Broadcasting, L. D. Coffman, Counsel; Westinghouse Company: J. B. Rock, Assistant Manager of Broadcasting, H. L. Lohnes, Counsel; Crosley Radio Corporation: Duke Patrick; World Wide Broadcasting Company: Walter S. Lemmon, President; U. S. Commerce Department: John H. Payne, Chief of the Electrical Division of the Bureau and Foreign Domestic Commerce; U. S. Office of Education: W. D. Boutwell, Radio Director; National Association of Broadcasters: Swagar Sherley, Counsel.

Also present were James D. Baldwin and Phil Loucks, former secretaries of the National Association of Broadcasters.

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## SECOND TELEVISION REPORT POSTPONED UNTIL FALL

The second television report, recommending a policy to govern the issuance of experimental television permits, will not be submitted to the Federal Communications Commission until it resumes full sessions in the Fall.

The Special Committee has instructed members of the FCC staff meanwhile to draft a proposed report embodying its ideas on policy. In addition to Chairman T.A.M. Craven, the Committee comprises Commissioners Norman S. Case and Thad H. Brown.

Primarily involved in the second phase of the Committee's operations is consideration of pending applications for new stations in various sections and the formulation of a definite licensing policy. Under present regulations, experimental television licenses are issued only on condition that the licensees contribute to the technical advancement of the art, with no consideration given to testing of public reaction or program technique.

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# A RADIO EDITOR LOOKS AT TELEVISION TODAY

Television promoters have two years of agony ahead, Orrin E. Dunlap, Jr., Radio Editor of the New York Times, told the NAB convention at Atlantic City last week. His paper was read to the broadcasters as he was unable to attend the convention.

"Television is making progress in New York, but slowly", he said. "It is like the baby who has taken a few steps and rather chestily looks westward as if it might be no trick to walk right across the map to San Francisco. But the parents know that when the youngster goes to California, he'll probably fly, not hike. So with television today. It is toddling around New York. It can't walk to the Pacific. It must fly. But it cannot fly until there is a wire or a national radio relay system on which to travel.

"Those in telecasting today are asking when the others are coming in to help them carry the load. The pioneer already feels the burden. He's afraid that he will not be appreciated until years from now, when monuments or plaques may be erected. Pioneering is often a thankless task. Trail blazers meet the obstacles and opposition. So it is with the telecaster.

"From the broadcaster's standpoint, there is a vital question to be answered before he can hope to get revenue from telecasting. Who will pay for the programs? It may be from three to five years before that answer is available. Because of tradition in broadcasting, the quick answer is sponsors. But can they afford it? And will the public tolerate advertising on television? The eye in its likes and dislikes differs from the ear. The eye can 'tune out' even the most subtle visual advertising on the screen by a turn of the head or a drop of the eye-lid. The ear has no such guards.

"The toughest row to hoe in television is to get the first 100,000 sets in homes. Then many of the present riddles will be answered; public reaction will be known.

"Television has been called a $13,000,000 'If.' The question is how to sever the 'If' and let the 13 million grow.

"First, programs must be of such calibre that the Joneses will be surprised to learn that they are missing pictures the Smiths are seeing. Before this can happen the price of television sets must be within range of the average pocketbook. Telecast stations must be on the air in cities other than New York.

"The optimist in television must be fully aware of the intricate problems ahead. For one who has seen so much magic performed by radio since 1912, it is easy after seeing scenes from a Broadway play, a baseball game, and aprize fight by television to realize that it has a tremendous future - that some day it will be a great industry.

"It is true that television has not made the splash in New York that some expected. They overlooked certain factors, now more apparent since programming has been in effect on a regular schedule for two months. The optimistic figure of 100,000 television sets being sold by Christmas is being whittled drastically. 10,000 would be a big surprise. Nevertheless, progress is being made.

"From all indications it will be the autumn of 1941 at the earliest before television really gets up steam in the New York area. Telecasters have two years of agony ahead. In that period the showmen will learn more about their art, which, incidentally, is not merely Hollywood plus broadcasting. Television is an art in itself.

"Furthermore, and this is vital, before the public takes to television, prices must be reduced or present radios converted to receive telecasts without much expense. The public is greatly interested in television, but can't afford it."

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FCC IN SUMMER RECESS AFTER CLEARING DOCKET

After granting permits for eleven new local broadcasting stations and approving nine transfers of ownership, the Federal Communications Commission went into a Summer recess schedule until September this week.

The granting of 11 station construction permits at a single sitting set a new record.

The new stations will be located in Sarasota and Fort Lauderdale, Fla.; Brunswick and Moultrie, Ga.; Fort Dodge, Ia.; Salem, Mass.; Hastings, Neb.; Sumter, N. C.; Greenville, S. C.; Victoria and Plainview, Tex.; "Proposed findings", which are equivalent to grants but require later ratification if no objections are raised to the proposed decisions, approved new stations in Spartanburg, N.C.; Suffolk, Va.; and Grants Pass, Ore.

Among the transfers of ownership authorized was WFBM, Indianapolis, Ind. All of the grants were made without previous hearings in line with the Commission's policy of recent months to avoid unnecessary hearings so far as possible. Several of the transfers were to newspaper interests.

The stations involved in the deals which received the Commission's sanction, in addition to WFBM, were WIBC, Indianapolis, Ind.; WKBO, Harrisburg, Pa.; WJBY, Gadsden; KANS, Wichita; KWOC, Popular Bluff, Mo.; WGTM, Wilson, N. C.; WSPR, Springfield, Mass.; WWSW, Pittsburgh, Pa.

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CATHOLIC TRUTH SOCIETY DEFENDS FCC RULING

A defense of the Federal Communications Commission and the international rule relative to program standards for international broadcasting was given at the FCC hearing last week by the Rev. Edward Lodge Curran, President of the International Catholic Truth Society, of Brooklyn, N. Y.

Dr. Curran also assailed the attitude of the National Association of Broadcasters against the rule and asserted that the FCC now exercise similar control over domestic broadcasts.

"Contrary to false and malicious charges which have appeared in the press and over the radio by self-inspired un-American and commercial sources, the latter of whom are more interested in the gold content of radio than in its cultural values, I am confident that Section 42.03 was adopted and approved by this Commission, the radio administrative agency of the United States Government, only after long and careful consideration of the best interests of our people as a whole, and in the best interests of our country both at home and abroad", he said.

"I, myself, as well as those whom I have the honor to represent, have been, at all times, irrevocably and unequivocably opposed to any form of censorship which tends to curtail or destroy our Constitutional rights of freedom of speech. In upholding the Constitutional right of freedom of speech, I am also mindful of the fact that in no article, and in no clause, does that Constitution grant any individual, or group, the right to destroy our democratic form of government, or the right to create and maintain a monopoly, especially in the public domain, which may be a detriment to the rights of our citizenship at large.

"If the Government of the United States, and the sovereign people of the United States, both of whom are represented by the Federal Communications Commission, cannot insist that International broadcasts, originating in the United States be devoted to programs of American culture and directed to the promotion of international good will, understanding and cooperation, then the President of the United States, and the Congress, should dissolve the Federal Communications Commission and hand over, lock, stock and barrel, all of its powers and prerogatives to the National Association of Broadcasters! Perhaps that is what the NAB desires?

"They have already received a free gift from the American people in the form of a free franchise for which they have never been charged a single cent by way of any franchise fee or tax. They now tell the American people that their representative, the Federal Communications Commission, has not the right to insist on American culture programs, and not the right to uphold the international policy of good will, understanding and Cooperation as adopted by their elected chief executive in the United States. This is the height and depth, the length and the breadth of economic totalitarianism. National Broadcasters of America, I

beg to assure you, it is the Federal Communications Commission and not your august body, that is responsible to the people of the United States of America.

"The objections of the National Association of Broadcasters are supposed to be based upon a hatred of censorship in any form of radio programs. Unfortunately, for the National Association of Broadcasters, the basis of their objection falls to the ground. The broadcasting companies have exercised, and still continue to exercise, complete censorship themselves over every program issuing from their stations.

"Allied with the National Association of Broadcasters is the American Civil Liberties Union. What strange bedfellows this hearing brings together. Mr. Roger Baldwin of the American Civil Liberties Union is quoted as having once stated, I believe, to a Congressional Committee his belief that any alien had the right to advocate the violent overthrow of the United States Government. Mr. Roger Baldwin, in the course of the same testimony, is reported to have also stated that any alien has the right to advocate the assassination of the President of the United States!

"Will the National Association of Broadcasters allow a broadcast of these colorful doctrines over an international broadcast originating in this country, and thereby impress foreign peoples with the thought that the American people believe in violence and assassination?

"In the exercise of its powers over domestic broadcasts the Federal Communications Commission indulges in no such censorship as that exercised by the National Broadcasting Companies themselves, whose demand of a manuscript before the broadcast is in the nature of that censorship which it now seeks to control from the international as well as from the domestic point of view. Only when any program violates the admonition of the Federal Communications Commission against obscene, indecent or profane programs, and only upon protests filed with the Commission is a hearing held and the offending station rendered amenable to the cancellation of its license, if the degree of guilt so warrants. This is censorship post factum. It is a necessary right of any Governmental unit, especially of a unit which exists to protect the rights of the general public."

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The Columbia Broadcasting System announces the addition, effective July 15, of KWFT, Wichita Falls, Texas. Operating at 620 kilocycles with 250 watts power at night and 1,000 watts during the day, KWFT joins Columbia's Southwestern Group, bringing the CBS total to 116 stations in 115 cities.

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# NEW RADIO RULES FOR SAFETY AT SEA ADOPTED

The Federal Communications Commission announced this week adoption of Rules Governing Coastal and Marine Relay Services (Chapter VII), and Rules Governing Ship Service (Chapter VIII), effective October 1st. At the same time the Commission repealed existing rules 263 to 296, inclusive, and the Ship Radiotelegraph Safety Rules of May 21, 1937, as amended, effective October 1, 1939.

Briefly stated, the new ship service rules constitute those provisions of the existing Ship Radiotelegraph Safety Rules which are not repetitions from sections of the Communications Act of 1934, and include practically all of the existing ship, coastal, and marine relay rules 263 to 296, inclusive, with some modifications and additional rules.

In the new ship rules, whenever any rule is applicable only to a ship subject to the Safety of Life at Sea Convention, or only to a ship subject to Title III, Part II of the Communications Act, that fact is clearly stipulated by the particular section of the rules. This is necessary since all rules now included in the present Ship Radiotelegraph Safety Rules (which are to be replaced by the new ship rules) apply only to compulsorily equipped vessels.

The new ship service rules provide that ship station licenses will be issued for a period of three years instead of for one year as is now the practice. Since there are now over 3000 licensed ship stations aboard vessels of United States registry, this provision of license term should reduce somewhat the volume of work relative to filing of applications for renewal licenses and action taken in response to such applications. The three classes of ship station licenses are defined in the new rules according to the latest international regulations and methods of administration.

"A number of new rules are proposed to reduce interference and increase safety in the maritime mobile service. In general these rules establish priority of communications for both ship telegraph and telephone services on any frequency based upon international regulations, provide for the transmission and repetition of distress and auto-alarm signals, and provide that a ship station installed for safety purposes in compliance with law shall have priority, from the standpoint of interference, over the use of any other ratio equipment on the same vessel. Coast stations are prohibited from transmitting call lists of ship stations on calling frequencies in accordance with existing policy and practice. A definite rule has been added requiring coastal telegraph stations to maintain a watch on the distress frequency during the international silent period in conformity with international regulations in order to promote safety of life at sea.

With regard to radio installations on compulsorily equipped vessels of the United States, rules are included in the new ship service chapter which, for safety purposes, limit the extent to which the emergency power supply and certain emergency radio apparatus may be used for ordinary communication while a vessel is in the open sea. In addition, a new rule is included requiring that operation of the emergency radio installation shall be available aboard compulsorily-equipped vessels within one minute after the need arises for its use.

"In general", the FCC stated, "it is believed that the new rules will improve operating conditions in the maritime mobile service and will increase safety of life and property at sea, as well as afford a more convenient set of rules for purposes of reference."

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NEW 100 KW. TUBE DEVELOPED BY G.E.

A new type 100-kilowatt radio tube in which the filament can be replaced, the first of its kind in this country, has been developed by engineers of the General Electric Company. Two of the tubes will be used in the new 100-kilowatt transmitter being completed for the General Electric short-wave Station W2XAF which now operates on 40 kilowatts. The new transmitter is expected to be on the air by August 1, according to C. H. Lang, Manager of Broadcasting.

The new tubes, designed by E. D. McArthur, H. E. Rowe and L. E. Record of the Vacuum Tube Engineering Department of the company, represent one of a series of developments that have been and are continuing to be made to place short-wave broadcasting on a more and more practical basis.

They are the largest tubes of their kind yet to be built in this country and when used with the new Alexanderson panel antenna, are expected to produce an effective directional power output of more than 600,000 watts. It is not anticipated that these tubes will replace the 100-kilowatt tubes in standard, or long-wave, broadcast transmitters.

"General Electric's interest in short-wave broadcasting dates back to 1923 with the establishment of Station "XI", said Mr. Lang. "Since that time considerable progress has been made in international broadcasting technique and the need for high-powered transmitters was realized if the barriers of distance and those of natural origin were to be combatted successfully.

"The new tube makes possible greater power output with a simpler set-up at the transmitter, thus providing greater efficiency in transmission. Whereas six tubes are now used to obtain a power output of 40 kilowatts, two tubes of the new type will have a power output of 100 kilowatts."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF JULY 21, 1939



No. 1142

for my file

TRADE PRACTICE RULES ISSUED FOR RADIO INDUSTRY

Culminating efforts of the Radio Manufacturers' Association for over four years, the Federal Trade Commission this week issued Trade Practice Rules for the Radio Receiving Set Manufacturing Industry to become effective at once.

The rules aim to eliminate and prevent false advertising, deceptive selling methods, and certain other unfair trade practices, the FTC points out in a preliminary statement. They are issued, the Commission added, "in the interest of protecting the purchasing public and maintaining fair competitive conditions in the industry."

The Commission pointed out that total retail sales of radio sets, parts, etc., aggregated $460,000,000 in 1937 and $225,000,000 in 1938. At the present time, the statement added, there are approximately 41,000,000 receiving sets in the United States.

Among the RMA officials who assisted in drafting the Trade Practice Rules were Bond Geddes, Executive Vice President, and Commdr. Eugene F. McDonald, Jr., of Chicago, Chairman of a Special Committee on Fair Trade Practices.

Major provisions of the Fair Trade Practice Rules as promulgated by the FTC follow:

"GROUP I"

"The unfair trade practices which are embraced in the Group I rules are considered to be unfair methods of competition, unfair or deceptive acts or practices, or other illegal practices, prohibited, within the purview of the Federal Government, by acts of Congress, as construed in the decisions of the Federal Trade Commission or the courts; and appropriate proceedings in the public interest will be taken by the Commission to prevent the use, by any person, partnership, corporation or other organization, of such unlawful practices in or directly affecting interstate commerce.

"RULE 1 - "It is an unfair trade practice for any member of the industry, in the course of or in relation to the marketing or distribution of radio receiving sets, parts or accessories therefor, or other products of the industry, (1) to use, or to cause, promote or further the use of, any marks, brands, labels, depictions, advertisements, trade promotional descriptions or representations of any kind which, directly or by implication, are false, misleading or deceptive to the purchasing or consuming public; or (2) to offer for sale, sell or distribute, or to cause or promote the sale or distribution of, radio receiving sets, parts or accessories therefor, or other products of the industry, under any other conditions or selling practices which have the capacity and tendency or effect of misleading or deceiving the purchasing or consuming public.

"Rule 2 - "All-Wave", "Standard Broadcast", Etc.:

"(a) Except as hereinafter provided, the terms 'All-Wave', 'World-Wave', 'World-Wide Wave', or words, phrases or representations of similar import, shall not be used as descriptive of a radio receiving set advertised, offered for sale, sold or distributed in the American market when such set is not constructed to receive and capable of receiving, with reasonable or adequate consistency, the entire spectrum of radio frequencies in recognized use in the art, namely, all long-wave broadcasts and transmissions; all medium-wave and short-wave broadcasts and transmissions, and all other waves transmitted or broadcast, including both foreign and domestic; excepting, however, that such set so described or represented need not include within its capacity of reception such point-to-point transmissions as are confidential and illegal for general reception and divulgence by members of the public, nor such unchanging signals as emanate from radio beacons or radio lighthouses, when such set is not otherwise falsely or deceptively described or represented, directly or indirectly, as being constructed to receive, or as being capable of receiving, such point-to-point or beacon or lighthouse transmission.

"(b) Nothing herein contained shall prohibit the use of the term 'Limited All-Wave', 'Limited World-Wave', 'Limited World-Wide Wave', or term or words of similar import, as descriptive of a radio receiving set advertised, offered for sale, sold or distributed in the American market when such set is constructed for and capable of consistently receiving at least a continuous spectrum of frequencies from 540 kilocycles to 18,000 kilocycles, provided such term or words are immediately accompanied by words, phrases or terms set forth conspicuously and clearly, unequivocally and truthfully stating the exact wave bands or frequencies which such set is capable of consistently receiver.

"(c) Nothing herein contained shall prohibit the use, as descriptive of a radio receiving set, of the term 'all waves' as an integral part of a clause, sentence or statement which truthfully and unequivocally sets forth the bands or radio frequencies such set does not cover, and wherein the words 'all waves' are not given greater prominence or conspicuousness than the other parts of such clause, sentence or statement; provided such set is constructed for and capable of receiving with reasonable or adequate consistency all the waves or bands of frequencies from 540 to 18,000 kilocycles and such other bands or frequencies as are represented to be within its receptive capacity.

"(d) The term 'Standard Broadcast' shall not be used as descriptive of a radio receiving set which is not built for or capable of receiving with reasonable or adequate consistency a continuous spectrum of frequencies from 540 to at least 1600 kilocycles.

"(e) Also, the term 'Standard Broadcast' as descriptive of a radio receiving set shall not be used in such manner as to lead the public to believe (1) that such set is constructed for and capable of receiving with reasonable or adequate consistency a greater number of radio frequency signals than is in fact true of such set; or (2) that the set is capable of so receiving more than the continuous spectrum of frequencies from 540 to 1600 kilocycles.

"(f) In the advertisement or sale of radio receiving sets, disclosure of the exact bands of frequencies which such sets are constructed to receive and capable of receiving with reasonable or adequate consistency is deemed desirable in the interest of

avoiding confusion, misunderstanding or deception of purchasers. Failure or refusal adequately to make such disclosure of frequencies, in connection with the use of the term 'Standard Broadcast' or otherwise, when the capacity and tendency or effect thereof is to mislead or deceive the purchasing or consuming public, is an unfair trade practice.

"(g) Nothing in these rules shall prevent the use, in lieu of 'kilocycles', of other recognized units of measurement, such as 'meters' or 'megacycles', when employed in a truthful and non-deceptive manner.

"Rule 3 - It is an unfair trade practice for any member of the industry to use, or cause to be used, any of the following-described types of advertisements or representations:

"(a) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented will receive distant stations or any or all foreign broadcasts or transmissions easily or satisfactorily or as easily or satisfactorily as local or domestic reception, when such is not the fact.

"(b) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented, or the reception thereof, is not subject to interference or to being interfered with or interrupted by fading, noise, electrical interference, atmospheric conditions, static or any other phenomena or conditions, when such is not the fact.

"(c) Advertisements or representations, with respect to the receiving capacity or performance of a radio receiving set, which make deceptively exaggerated or misleading claims or claims which are not justified and supported by the fact or performance of such radio set in the locality in which it is so advertised, represented and sold.

"(d) Advertisements or representations which directly or by implication lead purchasers to believe that the radio set so advertised or represented is capable of greater or more consistent or satisfactory performance or reception than is in fact true.

"(e) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented will give world-wide continuous reception or other continuous reception, when such is not the fact; or that the radio receiving set will give such reception or other reception with loud speaker volume, when such is not the fact; or that the radio receiving set will give world-wide reception or other reception regularly or dependably, when such is not the fact.

"(f) Advertisements or representations which present claims or representations concerning any radio receiving set in such a way as deceptively to cover or conceal defects or deficiencies inherent in such set, or defects or deficiencies inherent in the contemporaneous state of the art to which the receiving set is subject but which are not generally known to the purchasing public.

"(g) Advertisements or representations, of any radio receiving set, stating, purporting or implying that each station or any station, whether nearby or foreign or domestic, can be brought in, or brought in with sharp, clear or distinct reception or with ease, simplicity or regularity, by any radio receiving set so advertised or represented, when such is not the fact.

"(h) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented will bring in or receive broadcasts from Europe, Africa, South America, Australia or Asia, or from any other designated locality; or that it will bring in such broadcasts, or any of them, consistently or satisfactorily, when such is not the fact.

"(i) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented sifts out noise or is free from noise, or brings in far distant stations sharp or clear, when such is not the fact.

"(j) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented will bring in or receive satisfactorily or consistently foreign stations, police calls, aviation calls, radio transmissions from or to ships at sea, amateur stations or other types of radio transmissions, when such is not the fact, or when only a small part of any such class of radio frequencies transmitted or broadcast is so receivable and such fact, or the fact that others of the same class are not so receivable, is deceptively concealed.

"(k) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented contains a certain number of tubes or is of a certain tube capacity when one or more of such tubes in the set are dummy or fake tubes, or are tubes which perform no useful function, or are tubes which do not perform or were not placed in the set to perform the recognized and customary function of a radio receiving set tube in the detection, amplification and reception of radio signals.

"(l) Advertisements or representations of any radio receiving set, or of any part or accessory therefor whatsoever, in such a manner as deceptively to conceal the true function of such part or in such manner as otherwise to mislead or deceive the purchasing or consuming public in respect to such set or such part or accessory.

"(m) Advertisements or representations stating, purporting or implying that the price of radio receiving sets, parts or accessories therefor so advertised or represented have been reduced or are reduced prices, or have been reduced a certain amount, when in fact such purported or represented price reduction is fictitious, or is otherwise misleading or deceptive.

"(n) Advertisements or representations stating, purporting or implying that radio receiving sets so advertised or represented are of the latest model, when such is not the fact; or advertisements or representations which, directly or indirectly, have the capacity and tendency or effect of leading the purchasing public to believe that the set is of the current year's model or has not been supplanted, superseded or succeeded by a newer or later model; when such is not true in fact; or advertisements or representations which are otherwise deceptive or misleading respecting the model of the set.

"(o) Advertisements or representations of radio receiving sets or prices therefor which deceptively or misleadingly conceal the fact that the advertised price does not cover necessary or advertised accessories or devices which must be purchased with the set at an additional charge; or which falsely or deceptively state or imply that the advertised price covers such accessories or devices, when such is not the fact.

"(p) Advertisements or representations of radio receiving sets which present former prices or so-called list prices which are fictitious.

"(q) Advertisements or representations of purported bona fide trade-in allowances when the price of the new set so offered for sale has been deceptively inflated or marked up to offset the trade-in allowance.

"RULE 4 - Sponsorship: It is an unfair trade practice to use, or cause to be used, advertisements or representations, of radio receiving sets, parts or accessories therefor, or of other products of the industry, which have the capacity and tendency or effect of misleading purchasers or the consuming public into the belief that such radio sets, parts, accessories or products are sponsored or manufactured by, or are otherwise associated with, any person, concern or organization which is or has been prominent or well known in the electrical or radio industry, or by or with any other person, firm, corporation or association, when such is not the fact.

"RULE 5 - (a) Alteration of Brand Name. The defacement or removal of the correct name plate or brand name of a radio receiving set, or the replacement thereof by another name or mark, when done with the capacity and tendency or effect of thereby misleading or deceiving the purchasing or consuming public in respect to the origin, manufacture or true name of such set, or in any other material respect, is an unfair trade practice.

"(b) Deceptive Use or Change of Cabinets. The placing of a radio receiving set or chassis in a cabinet designed or made for a set or chassis of a different manufacturer or for a set or chassis of a different size, type or model, when done with the capacity and tendency or effect of thereby misleading or deceiving the purchasing or consuming public as to the origina, size, capacity, make, manufacture, brand or type of such set or cabinet, or when done to mislead or deceive purchasers in any other respect.

"RULE 6 - The imitation or simulation of the trade-marks, trade names, labels or brands of competitors, with the capacity and tendency or effect of misleading or deceiving the purchasing or consuming public is an unfair trade practice.

"RULE 7 - It is an unfair trade practice for a member of the industry directly or indirectly to give, or offer to give, or permit or cause to be given, money or anything of value to agents, employees or representatives of customers or prospective customers, or to agents, employees or representatives of competitors' customers or prospective customers, without the knowledge of their employers or principals, as an inducement to influence their employers or principals to purchase or contract to purchase products manufactured or sold by such industry member or the maker of such gift or offer, or to influence such employers or principals to refrain from dealing in the products of competitors or from dealing or contracting to deal with competitors.

"RULE 8 - It is an unfair trade practice for any member of the industry, directly or indirectly, to give, pay or contract to pay, to any clerk or salesperson of any customer-dealer handling two or more competitive brands of radio merchandise, 'push money' 'spiffs' or any other bonus, gratuity or payment, as an inducement or encouragement to push or promote the sale of such member's product or products over competing products of other members in the industry.

"(a) with the capacity and tendency or effect of thereby causing the purchasing or consuming public, when making purchases of such products, to be misled or deceived into the erroneous belief that such clerk or salesperson is free from any such special interest or influence, or is not so subsidized or paid by such member; or

"(b) with the capacity and tendency or effect of thereby hampering and unduly restricting the legitimate, free and full use and enjoyment of such retail trade outlets for the distribution to the public of competing products; or

"(c) with the purpose or effect, directly or indirectly, of otherwise substantially lessening competition or unreasonably restraining trade in the marketing of the products of the industry; or

"(d) with the effect of thereby bringing about the granting of an illegally discriminatory service, payment or price contrary to Section 2 of the Clayton Act as amended by the Act of Congress approved June 19, 1936, known as the Robinson-Patman Act."

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## DOG CHASES "CAT" IN TELEVISION TEST

Television -- now coming into its own -- has drawn upon every existing science for its development and operation, declared Dr. Orestes H. Caldwell, Editor of Radio Today and former Federal Radio Commissioner, addressing the New York Lions Club luncheon at the Hotel Astor this week.

Even the homely art of sic-ing a dog on a cat has been resorted to by the engineers in trying to locate sheat breaks in the coaxial cable used for radio transmission.

In England, a 12-mile underground "coax" cable had been giving trouble, said Dr. Caldwell. After every other test had been tried, the engineers bethought themselves of pumping the hollow cable full of a gas having a strong "cat odor". Then a trained retriever dog was led along the ground for the length of the buried cable, and at 14 points the dog stopped and began pawing the earth, in search of an invisible cat. At each such spot the engineers found leaks and repairs needed in the cable, although buried three feet below ground. In this way the "dog-and-cat" method, although new to electrical engineering, saved incalculable digging.

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## FCC MAY SPLIT ON CENSORSHIP RULE

Although it may be a week or two before the outcome of their deliberations may be known, there is an impression that the Federal Communications Commission will be divided in the matter of restoring the rule or a substitute for it requiring that international broadcasts reflect American culture and international goodwill. Prepared to go all the way in fighting a restoration of this ruling, or anything else smacking of censorship on the the part of the Commission, is Commander T. A. M. Craven. Commissioner Case might also be counted upon to register opposition.

The other Commissioners smarting under criticism from Congress, the newspapers, and President Neville Miller of the National Association of Broadcasters, it is believed, may try to rewrite the rule or salvage it at least in part so as to avoid the appearance of reversing themselves or of defeat. Again the rule may be thrown out altogether and a substitute offered; but in any case it is thought there may still be quite a difference of opinion among the Commissioners on it. Apparently Commissioners Thompson, Walker, Brown and Payne stand together as a bloc with Craven and Case likely to take the opposite side.

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## RADIO CENSORING WOULD BE A SWEET JOB

What trouble the Federal Communications Commission might let itself in for if it undertook to censor international radio programs was gleaned from the testimony of Frank E. Mason, Vice-President of the National Broadcasting Company, in charge of the NBC International Division. Mr. Mason, a veteran foreign correspondent was later an intelligence and censor officer with General Pershing in the A.E.F.

Asked at the short-wave hearing whether he had ever had any of his newspaper material censored overseas, Mr. Mason replied: "I have been censored and have been the censor." Mr. Mason then told at length of his censorship experiences and while he dealt almost entirely with newspaper work, he gave the Commission a pretty good idea of what they would be up against if they undertook to censor radio programs, especially the news.

Mr. Mason was then questioned with regard to other phases of the Commission's much discussed short-wave rule. Asked if it was his primary purpose to reflect the culture of the United States or to create international good-will, Mr. Mason replied:

"We are trying to do an intelligent job but we don't go out every morning and say, 'We are going to try and promote International good-will'. We have selected men whom we believe

will do an adequate job. When the President of the United States speaks we feel that we ought to carry the words of the President to the four corners if it is consistent with the desires of the White House. We don't inquire whether it is going to promote International good-will or not."

"If you had to measure all of your programs by the application of a standard which provided that you should render a service which would reflect the culture of the United States and contribute to International good-will, understanding and cooperation, would it impose any additional burden upon the effectiveness of your service?" P. J. Hennessy, Jr., NBC counsel inquired.

"Well", Mr. Mason replied, "I have listened very attentively to the use of the word 'standard' in this hearing, but I don't know what you mean by 'standard'", the witness replied. He said that the rule under discussion, in his opinion, has all the elements of surveillance and censorship in it.

"Do you ever make any conscious effort to create International ill-will for the United States?"

"No sir", Mr. Mason replied.

"I understood you to say that certain programs may do so incidentally."

"I have five large volumes of clippings from newspapers in two Continental European countries which are filled with clippings showing ill-will which has been created toward the United States from various actions in the United States. We don't feel that our obligation is any different from any other truthful reporter in reporting the actions of the government of the United States., and we don't question as to what the reactions will be."

"Are you of the opinion that in the long run, the broadcasting of truthful news is followed by international good-will?"

"I don't know that the truth is always so pleasant", Mr. Mason countered.

"Then let's say 'truthful news.'"

"Well, what constitutes 'news'?" the witness came back. "We don't call it censorship if we have to do editing and we select as carefully as possible in order to create a truthful picture in the mind of the auditor."

"But you do make the effort?"

"Very distinctly."

Getting back to culture, William J. Dempsey, General Counsel of the FCC, inquired:

"General speaking, your programs have reflected the culture of the country?"

"We have intended, as we understood culture to reflect it", Mr. Mason answered, "but I would hate to have to define the word 'culture', if that is your next question."

"That isn't my next question, Mr. Mason", Mr. Dempsey concluded, "in fact I haven't any more questions."

Asked what place technical testimony given by Dr. C. B. Jolliffe, in charge of RCA frequencies had in the International Short-Wave hearing, Mr. Hennessy said:

"One of the issues involved here is that if the transmission of programs will meet with the affirmative requirement that they cultivate American good-will abroad. It seems to me to be the essence of this proceeding that we show what countries we reach and in doing so what other parts of the world we serve through the use of frequencies that are assigned to us."

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LEMMON DENIES APPROVING FCC HOT-SHOT

Taking issue with the testimony of Neville Miller, President of the National Association of Broadcasters, that he had approved the final draft of the letter which Mr. Miller wrote to the Federal Communications Commission, which stirred up the animals so, Walter S. Lemmon, President of the World Wide Broadcasting Company, denied this vigorously when he appeared before the Commission.

"Did Mr. Miller show you the drafts of letters similar in purport to the one accusing the Commission of censorship?"

"Yes", Mr. Lemmon answered, "some rough drafts. As I recall it, it was a chance meeting with Mr. Miller while travelling aboard a train one evening."

"What were your comments to Mr. Miller, if any?"

"This was a casual meeting and I can't remember the exact comments, but I think I said I felt that one draft was entirely too hot; but I believe I said that the other rought draft was good, but I think I also added that I gravely doubted the advisability of proceeding in quite this manner. I think I recommended to Mr. Miller a conference with the Commission of some sort."

Getting back to politics, Miller's company, General Counsel of the FCC, inquired:

"Don't you think, that programs have reflected the culture of the country?"

"We have tried, as we understood it, to reflect it", Mr. Mason answered, "but I would hate to have to define the word 'culture'. Is that is your next question?"

"Not just at my next question, Mr. Mason", Mr. Tompkins concluded, "I'm sure I probably will have questions."

Mason was given technical testimony about the FCC's facilities, in spite of the inconvenience had in the Interstate Court-Wave hearing, Mr. Mohrenweiser said.

"One of the issues involved here is that if the Commission of proceeds with this situation regulations that they initiate, Mr. Mason, you will find [illegible] to be the essence of this proceeding that we also have [illegible] and in doing so what other parts of the world we [illegible] through the use of frequencies that are assigned to us."

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LEWIS DENIES APPROACH FOR BRIBERY

Talking here with the Chairman of Radio Miller, President of the National Association of Broadcasters, [illegible] supported the final draft of the letter which Mr. Miller was to the Federal Communications Commission, [illegible] by the [illegible] Mr. Miller's President of the [illegible] Broadcasting Company, [illegible] the Commission.

"Did Mr. Miller ever ask you the details of bribery [illegible] purport to the one evening the Commission of wrongdoing?"

"Yes", Mr. Lewis answered, "some rough drafts. As I recall it, it was a chance meeting with Mr. Miller. Miller [illegible] time showed a trait one evening."

"What was your response to Mr. Miller, if any?"

"This was a casual meeting and I don't remember the exact comments, but I think I made it with that one [illegible] objectively too hot; but I believe I said that the other [illegible] were good. But I think I also added that I [illegible] the advisability of proceeding in quite this manner. I think I recommended to Mr. Miller a conference with the Commission of some sort."

"Were you consulted in that final draft as it was submitted to the Commission?"

"No", Mr. Lemmon replied. "I had no idea that Mr. Miller was in any way seeking my approval."

"Did you know that it was intended that this letter should be submitted to the press?"

"No", Mr. Lemmon again said with some emphasis.

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DIRECTIVE ANTENNA MIGHT KILL SEVERAL BIRDS

A new angle was raised when Boyd W. Bullock, Assistant Manager of Broadcasting of the General Electric Company, suggested the possibility of a directive antenna enroute, also placing the program in other countries outside the direct path of the beam.

"Do you agree that there may be some programs that are favorably received in some countries but which may have the opposite effect in other country?" Mr. Bullock was asked.

"Just the fact that we are broadcasting uncensored news might have unsatisfactory effects in some countries", was the reply.

"Do you mean then that the broadcasting of uncensored news might create International ill-will?"

"I can see how it might. Of course one has to describe what he means by 'International good-will'. I can conceive how uncensored news might build good-will with most peoples of most countries.

"Under present conditions the parties in power in some of these countries might not be so happy about us broadcasting uncensored news into their countries; therefore we might not be building good-will with the governments but we might with the peoples. One general conclusion from our mail is that people like to get uncensored programs."

Although Mr. Bullock agreed that the rule which the FCC had promulgated which had brought down upon that body so much criticism was a good objective for international broadcasting, he frankly stated that he did not think this objective should be contained in an official rule of the Commission. When asked why, he replied:

"Because if there is such an official rule we must operate under it. In the operation of such a rule, the program content must be examined and an examination of any program content and whatever action may be taken after that examination, that as I see it, constitutes censorship, which the Commission has said that it does not care to indulge in."

Mr. Bullock said in such a rule, those operating the G.E. short-wave station would feel that it would have to take each program and measure that program against each one of the qualifications in the rule.

"You say you 'would have to do that'", Commissioner Paul Walker inquired. "That rule has been in existence for some time. Have you done it?"

"No sir, we have not", Mr. Bullock replied. "We have not changed up to the present time our method of operation since the rule has been in effect."

Asked by Commissioner Craven if he felt qualified to judge what is international good-will and what is not, Mr. Bullock replied, "No, I do not very well."

"Aren't you fearful of the difference of judgment between yourselves and the Commission?" Mr. Craven continued.

"I am not fearful of the difference of opinion; I am just fearful that as a result of it we could be accused of doing something that was wrong when our intention would be to do what was right."

"Well, the fundamental difficulty is the fear of the difference of opinion, isn't it?"

"For fear of not knowing how to comply", Mr. Bullock replied.

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SWITZERLAND SHOWS FIRST TELEVISION

One of the attractions at the Swiss National Exhibition in Zurich is a small television transmitter, specially constructed for the exhibition, and entirely of Swiss origin, according to World Radio. The transmissions, mostly of outdoor scenes, are of good quality. It is the first time television has been demonstrated in Switzerland, and the apparatus is intended primarily to show the achievements of technical engineering, because it is recognized that, for technical - the high mountains present one of the problems - as well as financial reasons, it will be a long time before it is a practical proposition for general use.

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NAB COUNSEL CITES BILL OF RIGHTS AS FCC LIMITATION

The Bill of Rights, as well as the Communications Act, serves as a limitation upon the Federal Communications Commission and in itself would bar the enforcement of the FCC regulation, now suspended, regarding the type of programs that international radio stations may transmit, Swagar Sherley, Special Counsel of the National Association of Broadcasters, declared in the closing arguments at the Commission hearing this week.

"I believe I speak the voice of the sober thinking people of America", he said, "when I say that they do not believe that democracy can be preserved by the Government's denying, even for a good purpose, the very essence of democracy: freedom of expression.

"The vice that underlies this regulation is the old, old vice of believing that any limited number of people given a temporary grant of power are capable of or should be permitted to determine what it is well for the American people to think and say.

"The folly of such a regulation is shown most glaringly when we consider what effect it will have upon the age-old attitude of our government regarding its accountability to other nations for the views and expressions of its nationals.

"Always when protest has been made by another nation because of expressions voiced in their individual capacity by officials of this government, the State Department on behalf of the government has replied that under our system of government it is the right of its citizens freely to speak and print their views regarding all matters, governmental or otherwise, and that there is no power within the government to control the utterances of its nationals.

"When recently the German government saw fit to protest against remarks that had been made by the Secretary of the Interior, this was the answer given by our government. Similarly, when exception was taken to remarks made by the Mayor of New York, the answer was one that while expressing regret that any citizen should have given utterance to criticisms of the ruler of a friendly nation, yet it was not the province of our government and it was without power to undertake a censure of the person complained of, or to prevent a repetition of the incident.

"If, however, the Federal Government is to undertake to stand sponsor for international broadcasts, in that it makes a positive requirement that such broadcasts shall reflect the culture of America and shall be such as to promote international good will and cooperation, then I submit that the Federal Government stands committed to see to it that the broadcasts are so circumscribed and robbed of all vitality as to prevent the giving of offense; and if by chance the judgment of your Honors, as the

governmental agency underwriting the harmlessness of programs broadcast on international waves, should prove faulty, the Federal Government must accept the responsibility for the broadcasts and take disciplinary action to punish the offense and to prevent its recurrence.

"In summary and in conclusion, may I say that it is my position that the Bill of Rights is an express limitation upon every power conferred upon our Federal Government by the Constitution of the United States.

"That Congress, recognizing the limitation in the First Amendment upon freedom of speech, has most emphatically and explicitly declared that this Commission should exercise no form of censorship.

"That all of the powers conferred upon the Commission regarding classification and other matters are by the express terms of Section 326 of the Radio Act made subject to that clause.

"That Rule 42.03(a) is censorship and censorship none the less because of the benevolent intent of the Commission in adopting it.

"We lose sight entirely of the fundamental issue here involved if we accept a disclaimer as to an intent to disagreeably or restrictively enforce a regulation as warranting its enactment.

"We were told during the hearing that the industry should have no concern over the regulation adopted or some substitute for it, because its enforcement would be by reasonable men and without an intent to interpret it oppressively. This is the old, old plea for power sought to be justified by a disclaimer of intent to abuse the power. But I submit as a matter of law that a regulation adopted speaks in its own language and once adopted it becomes the duty and not the option of those charged with enforcement to see to its enforcement.

"It should be a sufficient answer in the realm of practical matters that if the regulation is not to be interpreted as censorship in any way and is not to be enforced, there is no need for it.

"We spent a good deal of time in question and answer as to the form of the regulation. The very fact that after weeks of consideration the regulation took its present form of clear censorship (though that was not the intent of the Commission), indicates the futility of undertaking by a regulation that deals with character of program to express an objective, no matter how worthy, that does not of necessity entail censorship.

"I do not believe that the wit of man is sufficient to enable anyone to lay down a regulation that deals with the subject of program broadcasting in the international field that will not prove upon analysis subject to the same or equally serious criticism as to its restrictive character. Certainly at first blush a

broadcasting that shall promote international good will and co-operation would seem to be one about the purpose of which there would seem to be no dispute. But if this hearing has shown anything, it has shown the futility of such an expression.

"I have spoken in vain unless I have made plain that this whole issue arises from the Commission having, however unintentionally, failed to appreciate the limitations upon its action that arises out of the very philosophy of our government.

"Believe me - and I say it with very deep respect - it is not the function of the Commission to act as guardian of the radio industry. It was not intended by the law of its being that it should be a guardian. Its powers are very great. They tax the wisdom of the wisest men, but they do not embrace this field.

"The Commission has made its mistakes, but when we consider the complexity of the problems that have confronted it in its many fields of activity, I am very loath to criticize; and it should be said that it has had the wisdom and the courage to correct many of these mistakes. I truly believe that it will have the wisdom and courage to correct this fundamental mistake and that it will do so not by undertaking the impossible task of rephrasing an intent as to the character of international broadcasts, but will content itself solely with the classification as to area to be served under licenses given for international broadcasting.

"Time will justify such a course and the evidence in this case, aside from the question of power which the Commission does not have, demonstrates the lack of wisdom of undertaking to define, generally or generously, the program duties of those who have been licensed in this field."

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ASCAP ISSUES "COPYRIGHT LAW SYMPOSIUM"

The American Society of Authors, Composers, and Publishers this week issued copies of "Copyright Law Symposium", being a reprint of five essays adjudged by a Committee of the American Bar Association as the best among forty prize-winning papers prepared by graduating students of law schools participating in the 1938 Nathan Burkan Memorial Competition.

The Nathan Burkan Memorial Competition was inaugurated in 1938 in memory of the General Counsel, who died in 1936. The purpose of the competition, according to the foreword, "is to encourage careful and impartial study of copyright law, analysis of the need and justification for, the public benefit from, and the wise public policy of enacting such a law."

All law schools were invited to participate in the contest. Forty did so in 1938 and 76 have entered the 1939 competition. An award of $100 is paid to the student in each class who prepares the best essay.

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"Time will justify such a course and the evidence to come soon, arising from the condition of things which the Commission done and is doing, demonstrates the lack of wisdom or understanding of defining, generally or specifically, the contents of the programs of those who have been licensed in this field."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF JULY 25, 1939



No. 1143

SEE BULLETIN ON PAGE 10 - RE RESIGNATION OF McNINCH

July 25, 1939

WORLD LISTENERS JUMP 33 MILLION IN A YEAR

There are at least 33,000,000 more radio listeners over the world today than there were a year ago, according to Arthur R. Burrows, of the International Broadcasting Office, Geneva, who makes a yearly tabulation of the distribution of receivers.

The International Broadcasting Office has just issued its annual chart showing the growth during the previous year of homes equipped for the reception of broadcasts. The figures obtainable from 88 governments or administrations show that in these countries the number of homes equipped rose from 69,748,829 in 1937 to 77,997,444 in 1938.

"The actual position is undoubtedly even more favorable than the figures suggest", Mr. Burrows comments in World-Radio. "Although the Geneva Office has received more returns than on any previous occasion, the Union of Socialist Soviet Republics has again provided no new figures and we have been compelled to have recourse to those of 1936. Brazil and China, too, are countries with some hundreds of thousands of listeners which, for various reasons, have not given their figures for 1938. These facts apart, the new total of 78 million equipped homes, or approximately 312,000,000 persons to whom radio programs are available in their homes, is a gratifying one.

"It is also interesting to note that Europe is rapidly catching up with the rest of the world in the matter of radio installations. At the end of 1937 Europe had only about 33½ million radio-equipped homes against 35,900,000 on the other Continents. At the end of 1938 Europe had nearly 38,600,000 against just over 39,400,000 elsewhere. These figures, it should be kept in mind, refer to homes and do not take into account the many millions of sets now installed in motor-cars, notably in the United States of America.

"There is a possibility that European listeners will equal in number the listeners in the rest of the world at the end of the present year.

"The United States of America remains the most densely equipped country. Her figures are approximative, as there is no system of registration; but the estimate of the Federal Communications Commission (which is one of 28 millions at the end of 1938 as against something like 25½ millions at the end of 1937) places the United States in the forefront with just over 215 sets for each thousand of its inhabitants. Denmark takes second place with 205.78 sets for each thousand inhabitants. Actually, Denmark still leads the world amongst those countries possessing a license system and able therefore to provide definite figures as distinct from an estimate.

July 25, 1939

WORLD LISTENERS JUMP 25 MILLION IN A YEAR

There are at least 55,000,000 more radio listeners over the world today than there were a year ago, according to Arthur L. Burrows, of the International Broadcasting Office, Geneva, who makes a yearly tabulation of the distribution of receivers.

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"It is also interesting to note that Europe is rapidly catching up with the rest of the world in the matter of radio installations. At the end of 1937 Europe had only about 45% million receivers equipped homes, against 26,000,000 on the other Continents. At the end of 1938 Europe has nearly 26,500,000 against just over 29,400,000 elsewhere. These figures, it should be borne in mind, refer to homes and do not take into account the many millions of sets now installed in motor-cars, chiefly in the United States of America.

"There is a possibility that European listeners will equal in number the listeners in the rest of the world at the end of the present year.

"The United States of America remains the most densely populated country. Her figures are approximately, as there is no system of registration, but the statistic of the Federal Communications Commission issued in the 25 million at the end of 1938 or American households (the 25 millions at the end of 1937) giving the United States in the lead with just over 21 per cent of the number of its inhabitants. Germany takes second place with 20.75 per cent of her population. Actually, Germany still leads the world amongst those countries possessing a licence system and also therefore in giving the definite figures on listeners on estimate.

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"Third in the world order comes New Zealand with 195.90 equipped homes for each thousand persons. New Zealand has displaced Great Britain from third position by raising her license numbers from 279,054 to 313,826 - a highly creditable performance; Sweden has fourth place with 194.74 receivers to each thousand persons; and Great Britain fifth place with 192.86 per thousand. The Commonwealth of Australia, which for some years past has been highly placed in this great world race, is sixth with 160.53 sets to each thousand of her people.

"If we continue to think in terms of the relation of equipped homes to the white population, then Northern and Southern Rhodesia now hold seventh place, there being, at the end of 1938, 9,956 receiving sets among a white population of 67,552. This is a growth of over 2,150 sets within a year - due, in a great measure no doubt, to the development of short-wave broadcasting. Uganda, Kenya, and Tanganyika, together take eighth place with 140.25 sets to each thousand of the white population. Actually, there was a growth of 1,160 sets in a total of 3,996 in these areas during last year.

"For the ninth place we come back to Europe. Belgium can claim this position by having raised her proportion of sets to each thousand of the population from 122.09 to 134.29. Germany takes tenth place with 133.45 sets per thousand. This figure takes into account the license figures for what was Austria and also those of the Sudeten German areas. It also takes into account an augmented population.

"The Netherlands, which possess a registration system, but prefer to rely on voluntary contributions rather than institute a tax as a source of revenue, hold eleventh place with 132.74 equipped homes for each thousand persons; and Switzerland twelfth place with 131.27, as against 120.97 at the end of 1937. Iceland, Norway, Luxembourg, France, and Danzig come thirteenth, fourteenth, fifteenth, sixteenth, and seventeenth respectively, with figures ranging down from 131 to 110.68 equipped homes per thousand of the population.

"One cannot pursue these figures throughout the countries of the world without risk of becoming tedious. It is interesting to note, however, that the Dominion of Canada takes eighteenth place with a total of 1,213,725 equipped homes representing 108.85 for each thousand of the population and the Union of South Africa nineteenth place with 102.29. The next best figure - an approximation - comes from the Argentine Republic. It shows 91.44 equipped homes for each thousand of its people."

Next year, Mr. Burrows concluded, it may be possible to obtain an estimate of the number of short-wave receivers in use in these distant places.

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## CRAVEN-FOR-CHAIRMAN BOOMLET IS LAUNCHED

A mild boom to make Commdr. T.A.M. Craven Chairman of the Federal Communications Commission if and when Frank R. McNinch resigns, as is expected, has been launched by persons prominent in the radio broadcasting and manufacturing industries.

Commissioner Craven, who is the only trained engineer on the FCC, was slated for the chairmanship at the time of his promotion to the Commission from the position of Chief Engineer. Politics and his refusal to knuckle under to some of the Administration aides, it is understood, interfered, however.

Commander Craven was intimate with President Roosevelt when they were both in the Navy Department, and since he has been associated with the Commission, he frequently has been called to the White House for conferences with the Chief Executive.

His opposition to the McNinch purge last Fall aroused some of the Presidential advisors, notably Thomas G. Corcoran, and led to an open feud with the Chairman.

Within recent months, however, the attitude of the White House toward McNinch and other members of the Commission has changed, and it is believed that Commander Craven is again in favor with the President.

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## RADIO WIRE TELEVISION CORPORATION FORMED

The Radio Wire Television Corporation of America, with studios at 160 East 56th Street, New York City, has been formed as a merger of Wire Broadcasting, Inc., and Radio Service Co.,Inc., it was announced last week. John E. Otterson, formerly President of the Winchester Repeating Arms Corporation, Electrical Research Products, Inc., and Paramount Pictures, will be head of the new organization. Incorporation papers were filed last Thursday in Wilmington, Del.

In accepting the active leadership of the expanded enterprise, Mr. Otterson said that every current technological trend pointed to the ultimate distribution of entertainment by wire. He said that at present the company's operation is limited to key cities on the Atlantic seaboard, but that in the near future he hoped to extend it on a nationwide basis.

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## OPENING OF CONGRESS RADIO GALLERIES CELEBRATED

Radio correspondents, broadcasters, and legislators celebrated the formal opening of radio galleries in the U. S. Senate and House Monday night at a dinner given on Capitol Hill.

Officials of the three major networks - NBC, CBS and MBS - mingled with radio reporters and members of the Federal Communications Commission. Speaker Bankhead participated in a network broadcast. Boake Carter was a guest.

Present also were Representative Dempsey (D.), of New Mexico, who sponsored the changes in rules in the House, and Senator Gillette (D.), of Iowa, who brought about the change in Senate Press Gallery rules.

Fulton Lewis, Jr., Washington commentator for MBS and President of the Radio Correspondents' Association, acted as master of ceremonies.

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## LOGAN BILL, FOUGHT BY ADMINISTRATION, CURBS FCC

Radio attorneys are watching with interest the efforts of the Administration to block the Logan bill to curb the powers of quasi-judicial agencies which has passed the Senate and is now in the House.

The proposed law is opposed by the government agencies as well as the Department of Justice, and an effort is being made by Administration leaders to have the bill reconsidered. It would impose a mandatory obligation upon Federal Courts to set aside decisions, rulings and orders of administrative agencies on any of the following grounds:

(1) If the findings of fact were "clearly erroneous";
(2) If the findings of fact were not supported by "substantial evidence";
(3) If the decision was not supported by the findings of fact;
(4) If the decision was issued without "due notice" and a "reasonable opportunity" for the aggrieved parties to have "a full and fair hearing";
(5) If the decision was "beyond the jurisdiction" of the agency;
(6) If the decision infringes the Constitution or statutes of the United States, and
(7) If the decision is "otherwise contrary to law".

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# G.E. DEVELOPS WATER-COOLED TELEVISION LAMP

One of television's greatest problems, that of providing studios with twice the light now required by the movies, yet not subjecting articles to unbearable heat, has been solved by General Electric engineers in its television station at Schenectady, by the use of a battery of four new-type water-cooled quartz mercury-arc units containing 12 lamps having the light output equivalent to that provided by nearly 30,000 watts of incandescent light, at the same time giving off no appreciable amount of heat.

The lamps are about the size of a cigarette and have an exterior of quartz. Surrounding the tube is another quartz jacket through which water passes at the rate of three quarts a minute, to prevent the lamp from destroying itself, due to the intense heat.

The water, in passing around the tube, transmits 90 percent of the heat away from the light source, and as a result, little heat is dissipated into the studio, unlike other types of lamps previously used.

The new mercury lamp radiates more than two and one-third times the light given off by an incandescent lamp of the same wattage. The twelve 1000-watt lamps used in the G-E television studio have a total light output of 780,000 lumens, while the same wattage of incandescent lamps would give off only 330,000 lumens of light.

The greatest factor, however, prompting their use in the television studio was that no appreciable amount of heat was given off by the mercury lamps. The possibility of a burn from incandescent lamps, caused by the infra-red radiation, greatly inconvenienced performers appearing before the television camera; in the new lamps more than 90 percent of the infra-red radiation is absorbed in the circulating water.

The cooling system of the lamps is equipped with a pressure-operated switch and magnetic valve because the water in the jacket must be moving before the lamp is lighted and because the lamp must be turned off automatically in the event of failure or reduction of the water supply.

The lamp is filled with argon gas and, when lighted, a pressure of more than 1000 pounds per square inch is developed within the quartz jacket.

Two rubber hoses connect to each of the lamp units; one leading from a tap at one of the studio walls to allow water to pass into the lamps, and another carrying the warmed water from the lamps to the sewer line. An electrical conduit with a plug-in connection, also on the studio wall, provides the power to the transformers and control equipment mounted on the standard floodlighting unit tripods which support the lamps and reflectors.

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## 3.6. SEARCH WITH CONTROL TRANSMITTER LAMP

One of Germany's greatest problems, that of avoiding the danger with the light now received by the enemy, and not detecting aircraft to endeavour, has been solved by several Director stations in its television station of Frankfurt-a-M. By the use of 1 lamps of four cm-lens mechanical control devices using controls, it has been having the light adjusted to full intensity of nearly 30,000 watts of incandescent light, at the same time giving off no appreciable heat or light.

The lamp is about the size of a cigarette and has no exterior of glass. Surrounding the tube is another tube, inner of which which is open at the top of which contain a plate, to prevent the lamp from destroying itself, due to the intense heat.

The motor, 1 revolving around the lamp, transmits 90 percent of the light from the light source, and a heavily little heat is directed into the tube, while above transmitted lamps previously used.

The new motion lamp projects more than ten times the total times the light given off by an incandescent lamp of the same voltage. The lamp is 100-watt lamp used in the 1-2 cylinder which have a total light output of 150,000 lumens, with the same voltage of incandescent lamps which give off only 600,000 lumens of light.

The circuit is 100% lamp, controlling light on a the television studio so that no appreciable amount of light shine off by the moving lamps. The possibility of using the lamp in small lamps, used by the television studios, will introvertisement controls, controlling under the electric energy in the new lamp, for the 1 percent of the light which is absorbed in the circulating motor.

The cooling system of the lamps is similar with a pressure-cooling system, the separate value energy, the lamps in the lamp and to motor. For the lamp is lighted and because the lamp, such as tungsten, or substantially in the event of cylinder or of the other motor.

The lamp is lighted with about 60 amp, then lighted, a pressure of more than 1000 volts or more than is developed within the motor lamps.

The motor lamp revolves on each of the lamp motor; the lamp is a lamp, for 24 of the motor will be air cooled to prevent the lamp, and another supplying the motor motor from the lamp to the motor lamp. It electrical contact with a clockwise connection, also on the motor will, provide the power to the lighting and electrical equipment mounted on the lamp. Modifications may improve motor supply the lamp and reflector.

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McDONALD CALLED "GOOD-BAD BOY OF RADIO"

Commander Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, is labelled the "good-bad boy of radio" in a biographical sketch by Jack Auburn Pennmann in "Future", a magazine published in Chicago in the interest of the Junior Chamber of Commerce.

The writer, after reviewing Commander McDonald's rise in the radio industry and his experiments in other industrial fields, concludes:

"He is known now as the 'good-bad boy' of radio. He is called the bad boy of the industry because of his unheralded moves that leave competition breathless. He does things that they 'know' can't be done and then, when he's done them, they have to find a way to do the same thing. He is the good Samaritan of the industry because of his constructive work in stabilizing the radio business and protecting retail dealers against price-slashing that ruins their investments. Although a busy man with many interests, he is famous for his personal correspondence with dealers.

"This hard-hitting, seagoing business executive lives an intensely interesting life. He has owned twenty-three boats and yachts in his lifetime. He lives with his wife and baby daughter on his 185 foot yacht, 'The Mizpah', which is known in every major port of the Great Lakes and from Labrador to the South Seas.

"The yacht, a floating home, is also the only floating experimental laboratory for radio in the world. Upon it, McDonald developed a Great Lakes radio-telephone service from ship-to-shore, the first automatic tuning and his famous 'radio nurse'.

"But in back of ownership of that yacht are years spent in taking the trouble to reason things out for himself and then having the courage to go ahead contrary to the weight of opinion. Then there has been the risk of putting hard earned money into ventures when that money had no more security than the correctness of his own judgment.

"McDonald always put his own finances into whatever he was trying to develop. Sometimes it wasn't much, and he had to make it grow. But when it was little, he put in little and then worked harder. When he made money, and really had money, he put more into what he was promoting so that he always has had a great stake in whatever he has done.

"And he constantly looked for something new or better. Besides the 'firsts' already mentioned, McDonald developed the first radio set for farmers to operate off a single auto-type of storage battery; the first single tuning control that did away with the many dials; the first radio set to operate one hundred

## Electronic Toilet "Work-Saver" or Radio?

Commander James J. Kilpatrick, Jr., president of the Zenith Radio Corporation, Chicago, is locked in "good-and-bad relationship" in a philosophical debate by John Kenneth Galbraith, "a leading proponent of Chicago in the 'Harvard' of the Junior Chamber of Commerce.

The debate, after reviewing Commander Kilpatrick's view on the radio industry and its experience in other innovations, concludes:

"We is being not as the 'good-and-bad' of radio. We is called the bad for it the industry because of its marketing before that large consumption industries. We does claim that they 'know' on the and that, even of a one time, they have to find a way to do it on their own. We is the good because of the industry because of its monopolistic and it exploitation the radio business are producing small transistor radios attracting that radio in industry. Although a long way with many interests, we is known for its personal experiences in the operations.

This experiences, covering numerous executive jobs in industrially diversified companies. We has spent twenty-three years in the industry. We lives with his wife and two daughters on his 140 acre farm. The farm, incidentally, helps to know a very major part of the total labor and free business in the farm industry.

The result, a 12 acre farm, is also the only research experimental laboratory for radio in the world. Upon it, Commander developed a great large radio-telephone service for the Chicago area, the first successful radio pay station in the world.

"But in spite of everything of that great one can see, in trying the theory to accept future for the 1970 It was hard getting the device to a point of being of the market of radio. Then there was the risk of putting hard earned money into ventures that may not be more necessary than the personal-ness of his own business.

"Galbraith always put his own thinking into whatever he was trying to develop. Sometimes it might seem, and he was a bit more it true. It was not it was little, to put it little and then worked darker. There is no doubt, and really not true, or not more into what is we producing or that is always we had a great stage in matters in his time.

"And he certainly learned by mistakes and of course, certainly the 'initial' theory of business. Galbraith developed the first radio set for farmers. We started off a 100 watt transmitter storage battery, the first single tubes receiver operated from 6V and with the very likely, the first radio to operate on battery

per cent from electric current without any batteries whatever; and the first set with more than one loud speaker - one for treble, another for bass notes and some sets with three speakers for high, medium and low vibrations.

"Television, air conditioning, aviation, commercial chemistry, plastics and a score of other industries are expecting today's young men to make similar accomplishments."

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ELLIOTT ROOSEVELT HIT FOR COUGHLIN ATTACK

Taking the air in defense of the Rev. Charles E. Coughlin, Dr. Edward Lodge Curran, of Brooklyn, N. Y., President of the International Catholic Truth Society, assailed Elliott Roosevelt for his recent criticism of Coughlin over a nation-wide hook-up Monday night from Detroit.

Dr. Curran appeared last week at the hearing of the Federal Communications Commission on international rules and at that time denied that he represented the Detroit radio priest or was in any way associated with him.

"It is doubtful if Elliott Roosevelt would ever be on the air in the guise of a speaker were he not the son of the President", Dr. Curran said. "The truth is, however, that this New Deal dynasty, not satisfied to having attempted to purge Senators, is now trying to purge all citizens who dare criticize the New Deal experimentations.

"Liberty of speech is the corner-stone of all political liberty. Either Elliott Roosevelt and the group with which he is associated cannot stand criticism or else the members of that group, including himself, fear the peering rays of the lamp of truth.

"The assertion that Father Coughlin has been anti-Semitic in his oratory is a strange charge and accompanied by no proof. It was a rehash of what is being said by the Leftist leaders of the country who think no charge too low, or too unworthy if it succeeds in smearing the object of its attack.

"Without freedom of speech on the radio, who would arouse the American public to the dangers of the World Court, to the un-Americanism of the Supreme Court packing plan, to the truth of the entire Spanish question and to the insidious dangers which lurked beneath the recent attempt to throw us into war, known as the Neutrality Act."

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nor rent from electric current without any detecting equipment and the first set will work when one local speaker - one for treble, another for bass notes and one more with horn attachments for high, medium and low frequency.

"Television, air conditioning, aviation, medical chemistry, plastics and a score of other industries are crowding today's power can be made similar accomplishments."

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ELLIOTT ROOSEVELT DIT FOR TOMORROW ARRIVE

Flying in air to Chicago of the son, Captain E. Roosevelt, Mr. Robert Jackson, a former Justice Department, U. S. Senator of the International Catholic Truth Society, arrived Chicago to-night for his recent criticism of President Truman's action back-up Monday night from Toronto.

Mr. Jackson appeared last week at the hearing of the Federal Communications Commission on tele-radio rules and at that time denied that he represents the network or any other interest or was in any way associated with them.

He is quoted in Elliott Roosevelt could not be on the air in the place of a speaker who is not the son of the President", Mr. Jackson said. "The point is he is, but this was Dall opposed, not entitled to hearing attempted to point therefore, is now trying to prove all critics are anti-Roosevelt the New Deal associations.

"Liberty of speech is the cornerstone of all political liberty. Elliott Roosevelt and his group who wish to be associated cannot stand criticism or air. The leaders of that group, including Elliott, fear the coming days of the loss of trust.

"The statement that Harry Truman has been anti-Semitic in his character is a strange charge and I cannot let it go unset. It was a crack at what is being said by the political leaders of the country who take no chance for loss, or too concerned in searching the depth of its attack.

"Without intended it appears on the radio, the media should the American public to the memory of the right Jews, in the un-Americans of the Nazis Hitler model plan, in the truth of the nation United States and to the political leaders which Harried Jewish the result attempt to force us into, home in the Mediately Act."

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## VATICAN PAPER EXPLAINS PAPAL RADIO BLESSING

Osservatore Romano, Vatican City newspaper has published an explanation of Pope Pius's decision July 12 to extend the benefit of plenary indulgence to all the faithful who listen to a radio broadcast of it. To obtain the indulgence, the newspaper says, those who listen in at the radio "must receive the Supreme Pontiff's blessing with the same devotion as those who are present at the rite."

Moreover, it continues, there are some conditions to fulfill for the acquisition of the indulgence. They are the same as for those who are physically present at the rite. These conditions are: confession, communion, a visit to a church or to a public or semi-public oratory and prayer in keeping with the Pope's desire.

"From the above", says the newspaper, "it can be obviously deduced that the indulgence connected with the blessing cannot be acquired by those who listen to the broadcast of the rite in a manner that does not concur with required piety and devotion or by those who have not fulfilled the four required conditions".

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## SWEDEN CELEBRATES DECADE OF SCHOOL BROADCASTS

In Sweden, which is celebrating the tenth year of broadcasting to schools, the number of schools equipped with radio receiving sets has increased from 283 to 4,000, and the number of school listeners from 14,000 to 140,000.

The successful collaboration between the Swedish Board of Education and the Radio Service began in 1929, and while the programs for elementary schools have been extended, those for the higher-grade schools have been reduced because of the heavy demands of their normal syllabus. The elementary-school broadcasts deal with a wide range of items, but those for secondary schools are confined to courses in English, French, German, Danish, and Norwegian.

To enable the smaller schools in remote country districts to obtain suitable radio equipment, grants are made out of the revenue received from licenses.

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# B U L L E T I N

## McNINCH ANNOUNCES RESIGNATION AS FCC CHAIRMAN

Chairman Frank R. McNinch called at the White House late today (Tuesday) and conferred with President Roosevelt and afterwards announced that he was resigning as Chairman of the Federal Communications Commission. There was no immediate speculation as to his successor on the Commission.

Mr. McNinch has been ill and away from the Commission for several months.

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## GERMAN RADIO SET PRICES ARE REDUCED

German receivers will be considerably cheaper this season, according to World-Radio.

"Drastic price-cuts have been made possible by the official removal of all price restrictions and agreements", its Berlin correspondent writes. "A number of types will be reduced by at least 30 percent. The industry is now quite free, and every manufacturer will sell at the price he chooses. His price calculation and his costs bill, however, will be checked by an official organization.

"Rationalization of the radio industry has now been completed, but the full effect will not be seen until 1940."

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At a special meeting of the Jefferson-Travis Radio Manufacturing Corporation, New York City, held this week, stockholders approved a plan of readjustment of the corporate and financial structure of the company which was submitted by Felt & Co., of 52 Wall Street, according to Raymond Jefferson, Secretary-Treasurer of the corporation.

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Another legitimate theatre in New York will pass into the hands of a radio company when the National Broadcasting Corp. took over the Vanderbilt yesterday (July 24) on a thirteen week lease with a renewal option. The broadcasting company, which has been using the Ambassador since July 10, will install the Fred Waring program in the theatre.

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# B U L L E T I N

## BUYING AGENCIES REORGANIZATION AS 1ST DEADLINE

Chairman Frank W. Bowlton mailed on Sat Triple Tones Inc today (Tuesday) and contracted all Principal Buying Agents and Affiliate Associated that he was resigning as Chairman of the Federal Commodity Buying Association. There was no immediate explanation in the statement on the resignation.

Mr. Bowlton has been ill and out of the Commission for several months.

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## GOODS AND GET PRICES ARE REMOVED

Ceiling prices will be completely removed by Jan. 1, according to [illegible].

Operating expenses have been more [illegible] by the official removal of all price restrictions and controls". In Health [illegible] relief. A [illegible] will be issued by at least 30 minutes. The industry is now quite free, and every manufacturer will [illegible] at the price he chooses. The price [illegible] may [illegible], however, [illegible] by an official [illegible].

"Although [illegible] the public industry has not been completed, the [illegible] will not be [illegible]."

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At a special meeting of the [illegible] Wholesaling Company, New York City, [illegible] affiliate [illegible] of the [illegible] and financial [illegible] of the company which was [illegible] by [illegible] Co., or [illegible], according to Raymond [illegible], [illegible] of the company.

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Another [illegible] theatre in New York will open [illegible] the [illegible] of a [illegible] when the [illegible] [illegible] over the [illegible] [illegible] for a [illegible] [illegible] with a [illegible] of [illegible]. The [illegible] company, which has been [illegible] the [illegible] [illegible] July 30, will [illegible] the [illegible] program in [illegible].

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## FCC AUTHORIZES TRANSFER OF MACKAY CONTROL

The following order, authorizing an intra-corporation transfer in control of the Mackay Radio & Telegraph Co., of Delaware, was issued this week by the Federal Communications Commission:

"The Commission having under consideration applications filed pursuant to Sec. 310(b) of the Communications Act of 1934, for consent to transfer control of Mackay Radio & Telegraph Company of Delaware from Radio Communications Company, Inc., to Commercial Mackay Corp., a Delaware corporation, through The Associated Companies, a Massachusetts trust; and to transfer control of Mackay Radio & Telg. Co. of California from George S. Gibbs and Raymond C. Kramer as trustees of the Estate of The Associated Companies, a Massachusetts trust, to Commercial Mackay Corporation, a Delaware corporation, both filed on May 13, 1939; which transfer of control will be effected as a result of and in accordance with the reorganization of the Postal Telegraph and Cable Corporation and The Associated Companies as provided in a Reorganization Plan approved and confirmed by order of the United States District Court for the Southern District of New York, dated June 30, 1939, in the Matter of Postal Telegraph and Cable Corporation, The Associated Companies, debtors, in proceedings for Reorganization of a Corporation; and it appearing that said transfer is in the public interest; the Commission granted the said applications; Provided, however, that nothing in this action shall be construed as a determination whether any acquisition or transfer involved in the reorganization of the Postal Telegraph and Cable Corporation and The Associated Companies in accordance with the aforementioned Reorganization Plan, or any operations thereunder may or will result in any violation of Section 314 of the Communications Act of 1934, Section 7 of the Clayton Act or any other laws relating to monopolies or unreasonable restraints of trade; and Provided further that nothing in this action shall constitute an approval of the provisions of any contracts entered into or to be entered into among the companies involved; and Provided further that the proposed transfer of control shall not become effective without further order of the Commission unless the said order of the U. S. District Court for the Southern District of New York, dated June 30, 1939, shall be affirmed upon any appeal which may be taken therefrom."

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## LITTLEPAGES MOVE TO NEW QUARTERS

Littlepage, Littlepage, Porter, Littlepage & Williams, radio attorneys and counsellers at law in Washington, D. C., have announced the removal of their offices from the Bowen Building, 815 - 15th Street, to Suite 1036-1046 Investment Building, 15th and K Streets, N.W.

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## RCA TELEVISION ANTENNAS ANNOUNCED FOR AMATEURS

Three television receiving antenna systems, designed to meet the exacting scientific requirements determined by RCA Victor's seven-year, $2,000,000 field test of television receivers and antennas, have been announced for sale to television amateurs and experimenters by the RCA Manufacturing Company. The Company has previously announced a number of tubes and parts to enable television-minded amateurs to construct their own receivers.

Each of the three antennas is designed to bring in television, as well as standard broadcast signals, with maximum efficiency under different conditions of reception. Together, they provide for every contingency, from the problems caused by reflection in city and mountain areas or where other obstructions exist, to the simpler problems of reception in suburbs and in relatively unobstructed localities.

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## WOR TO TRY TO TUNE IN MARS

When the planet Mars comes a'visiting Thursday (July 27) WOR engineers and a Hayden Planetarium executive will station themselves at a giant radio receiving station at Baldwin, Long Island, in an attempt to pick up signals from the planet.

With Earth and Mars closer together than at any time since 1924, observatories all over the world will train their telescopes on the mysterious orb in an effort to learn more about its characteristics. The radio engineers will be busy at the same time trying to solve the ever present question of whether or not life exists on the far away astral body.

Station WOR has requested the Army Signal Corps and the Navy Communications transmitters to remain off the air, except in the case of emergency, during the period from 9:30 P.M. to 10:30 P.M.,EST, in order that many frequencies may be cleared for the experiment. At 10 P.M. Earth and Mars will be 36,030,000 miles apart. The maximum distance between the two planets is 61,000,000 miles. It is estimated that it would take approximately three minutes for a radio signal to flash from one point to the other on July 27 when Hans Christian Adamson, assistant to the President of the Hayden Planetarium, and WOR engineers tune more than forty powerful receivers to the frequencies they believe the Martians most likely to use.

"In 1924 WOR reported it had heard signals which apparently were not from any known transmitter on earth", a WOR release states. "Should they be successful in intercepting a signal from Mars this year they should be entitled to several important awards offered by distinguished scientists."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF JULY 28, 1939.




No. 1144

FLY, SUCCESSOR TO McNINCH, BACKED BY CORCORAN

James Lawrence Fly, gangling soft-spoken Texan who on Thursday was nominated by President Roosevelt as a member of the Federal Communications Commission to succeed Frank R. McNinch, resigned, had the backing of Thomas G. Corcoran, who is reputed to have suggested McNinch's appointment.

Mr. Fly, who is General Counsel of the TVA, is expected to encounter little opposition before the Senate Interstate Commerce Committee despite his affiliation with the New Deal's left wing. He is not, as has been reported, a former secretary of Senator Pat Harrison, of Mississippi. His name, it was said, was confused with that of Eugene Fly in the Internal Revenue Bureau.

While he was not designated as FCC Chairman at the time of his appointment, it is understood that he has been assured that he will be so designated by President Roosevelt once he has been confirmed.

Friends of Commdr. T.A.M. Craven, who has been supported for the chairmanship by organized broadcasters and radio manufacturers, still clung to the faint hope that he may be named Chairman if Mr. Fly arouses any opposition on Capitol Hill.

Mr. Fly, who successfully handled TVA's litigation before the U. S. Supreme Court and weathered the feud among the TVA Directors, has been considered for a half a dozen top New Deal jobs, it is understood, even though he was introduced to Government service by Herbert Hoover.

In 1929 he was appointed Special Assistant to the Attorney General in charge of anti-trust cases and in August, 1934, was made TVA General Counsel.

Mr. Fly's appointment, it is understood, had the approval of the retiring FCC Chairman.

Chairman McNinch's resignation does not become effective until September 1st, and it is reported that he is planning to let loose a final broadside against his critics and "unpurged" colleagues on the Commission.

Mr. Fly's nomination is for the remainder of the seven-year term of Mr. McNinch, which will expire July 1, 1942.

Mr. Fly has taken a leading part in the Administration's public-utility drive, but his service in this field dates back to 1929, when as Special Assistant United States Attorney Generel he

THE, SUCCESSOR TO [illegible], SPOKEN BY GORGORAN

[illegible] Gorgoran [illegible], speaking soft-spoken [illegible] Tuesday, was nominated by President Roosevelt as a member of the Federal Communications Commission to succeed Frank R. Mathews, resigned, and the nomination of Thomas G. Corcoran, who is reported to have suggested Gorgoran's appointment.

Mr. Fly, who is [illegible] twenty of the FCC, is expected to encounter little opposition before the Senate Interstate Commerce Committee [illegible] with the New Dealis [illegible]. He is [illegible], a firmly [illegible] of [illegible] Pat Harrison [illegible] Mississippi. His name, it was said, [illegible] confused with that of [illegible] by the Internal Revenue Bureau.

While he was not [illegible] as FCC [illegible] of the [illegible] of his appointment, it was understood that no [illegible] have been issued. [illegible] that he will be [illegible] by President Roosevelt [illegible] confirmed.

Friends [illegible] T.A.M. Craven, who has been [illegible] of the [illegible] by [illegible] and radio [illegible] assurance, still [illegible] to the [illegible] that he [illegible] [illegible] is in. The [illegible] opposition on Capitol Hill.

Mr. Fly, who successfully handled TVA's litigation before the U. S. Supreme Court [illegible] the road among the TVA directors, has been [illegible] for a half a dozen top New Deal jobs, it is remembered, even though he was introduced to Roosevelt [illegible] by [illegible].

In January he [illegible] Special Assistant to the Attorney General in charge of [illegible] and in August, 1940, he made the Tennessee [illegible].

Mr. Fly's [illegible], it is understood, was [illegible] [illegible] the waiting for [illegible].

Chairman Anthony's resignation [illegible] to become effective [illegible], and it is reported that he is planning to let [illegible] [illegible] criticism [illegible] his critics and "[illegible]" [illegible] the Commission.

Mr. Fly's nomination is for the remainder of the term [illegible] Mr. Mathews, which will expire July 1, 1943.

Mr. Fly has taken a leading part in the Administration's [illegible] drive, and his service in this field dates back to 1933, when he [illegible] United States Attorney General [illegible]

began and continued for six years to defend the Government as counsel in actions involving restraint of trade under Federal anti-trust laws and regulatory measures under commerce power.

Now, at 41, he is rated one of the most accomplished of the Administration's younger men.

Born February 22, 1898, in Seagoville, Dallas County, Texas, the son of Joseph Lawrence and Jane (Ard) Fly, the FCC Chairman-designate was graduated from the Dallas High School in 1916, from the United States Naval Academy in 1920 and from the Harvard Law School in 1926.

In June, 1923, Mr. Fly retired from the naval service and married Miss Mildred Marvin Jones of San Rafael, Calif. In 1925 he was serving as law clerk with Burlingham, Veeder, Nasten and Fearey in New York City. He was admitted to the New York and Massachusetts bars in 1926 and practiced with White & Case in New York until 1929, when he entered the Government service.

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## MRS. ELLIOTT ROOSEVELT BUYS KTAT

The Federal Communications Commission this week authorized Mrs. Elliott Roosevelt to acquire all the outstanding common stock of the Tarran Broadcasting Co., licensee of Station KTAT, Fort Worth, Texas, from Raymond E. Buck for $101,570.

The authorization was contingent upon the surrender of the license for Station KFJZ, also at Fort Worth, of which Mrs. Roosevelt is President and Director. It is proposed to make KTAT the key station of the Texas State network, which is headed by Elliott Roosevelt, son of the President.

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## CRAVEN REPORT ON SHIP RADIO POWER IS ADOPTED

The Federal Communications Commission this week adopted the report of Commissioner T.A.M. Craven of May 19, last, relative to the power requirements of ship radio transmitters.

The Commission, had under consideration the proceedings upon the hearing conducted for the purpose of determining the power requirements for ship radio transmitters, in order to comply with the terms of treaty and statute, and as set forth in paragraph 12(c) of the Commission's Ship Radiotelegraph Safety Rules, as modified January 18, 1939.

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# RISE IN RADIO FACTORY OPERATION SHOWN BY REPORT

Continued increase in radio factory operations this year over 1938 were disclosed in the April employment report of the U. S. Bureau of Labor Statistics, just released, but with decreases from the preceding month of March. A supplementary report stated that in the monthly turnover rate per 100 employees, there were layoffs in radio factories of 3.64 per hundred last April, and 1.94 per hundred in the following month of May compared with 12.19 in May 1938. The ratio of new radio employees hired was 3.38 per hundred last April and 8.73 in May, compared with 6.68 in May 1938.

The April Government report stated that radio employment last April declined 4.3 percent from the previous month of March but was 21.5 percent above radio employment in April 1938. The April index figure was 94.6 compared with the previous March index of 98.9.

Radio factory payrolls for April declined 5.1 percent but were 22.8 percent above radio payrolls of April 1938. The April index figure on payrolls was 80.8 as compared with the previous March index of 85.1.

Average weekly earnings last April of radio factory employees were reported at $21.19, five cents more than in March, and 1.0 percent above the April 1938 average. For all manufacturing industries the April 1939 average weekly earnings were $23.82, a decrease of 2.1 percent from March but 7 percent above April 1938. The average weekly earnings of all durable goods manufacturers was $26.98, a decrease of .5 percent from the previous month of March but 12 percent above the April 1938 average.

Average hours worked per week last April in radio factories were 36.2 hours, a decrease of 1.3 percent from the March average of 36.6 hours and were 7.7 percent above the April 1938 average. The national average working hours of all manufacturing industries last April were 36.4 hours, a decrease of 2.1 percent from the March average of 37.1 hours. The national average working hours of all durable goods manufacturers in April was 36.5 hours, a slight decrease from the March average.

Average hourly earnings last April of radio factory employees were 58.6 cents, .6 percent above the March average of 57.8 cents but 5.5 percent below the radio average hourly earnings for April 1938. The national average hourly earnings last April of all manufacturing industries were 64.8 cents, a slight decrease from the preceding month, and the national average of all durable goods manufacturers was 72.6 cents compared with March average of 72.7 cents.

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FUTURE OF McNINCH IN DOUBT; U. S. JOB EXPECTED

Just where Chairman Frank R. McNinch will be transferred following his resignation from the Federal Communications Commission on September 1st is conjectural, but it is understood that he has been assured that a place will be made for him in the Government service.

It is doubtful that he will return to the Federal Power Commission because of opposition to him on Capitol Hill.

One story is that he will return to private law practice but with a sinecure as Special Assistant to Attorney General Murphy.

Reports of his state of health also vary widely. His friends insist that he has all but recovered from his stomach ailment which has kept him away from the FCC for most of the two years that he has been Chairman, while others maintain that his malady is incurable.

Mr. McNinch, who was appointed as FCC Chairman in the Fall of 1937 to do a "house cleaning" job, has had an odd political career. A former Mayor of Charlotte, N. C., he deserted the Democratic party when Al Smith was nominated for President and helped swing North Carolina to Herbert Hoover.

Mr. Hoover rewarded him by appointing him to the Federal Power Commission, but when Franklin Roosevelt was nominated, Mr. McNinch agilely jumped back on the Democratic bandwagon and became an ardent New Dealer. He soon became associated with Corcoran, who also first came to Washington under the Hoover standard.

Almost from the beginning McNinch aroused opposition both in the Commission and in the industry by his attempts to impose censorship on broadcasting, his ideas that radio stations are quasi-public utilities, and his hostility to newspaper ownership of broadcasting outlets.

His Waterloo came last Fall when he belatedly set about "house cleaning" by abruptly dismissing Hampson Gary, General Counsel, G. Franklin Wisner, Press Relations Chief, Davis G. Arnold, Chief Examiner, and others in a widely publicized "purge".

Commissioners Craven and Payne aroused his wrath by voting against the "purge", and McNinch thereafter devised, with Corcoran, the idea of reducing the Commission to a three-man agency to "purge" the recalcitrant Commissioners.

He got as far as having Senator Wheeler (D.), of Montana, introduce such a bill early in the session, but such an outcry of "dictatorship" was raised in the press and the radio industry that even Mr. Wheeler shortly thereafter pigeon-holed the plan.

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## FUTURE OF MORRIS IN DOUBT; U. S. JOB EXPECTED

Just where Congressman Frank C. Morris will be immediately following his resignation from the Federal Communications Commission on September 1st is conjectural, but it is understood that he has been promised that a place will be made for him in the Government service.

It is thought that he will return to the Federal Power Commission because of opposition to him on Capitol Hill.

One story is that he will return to private law practice but with a stipend as Special Assistant to Attorney General Brownell.

Friends of his state of Nebraska are very cagey. His friends insist that he has. It will be remembered from his strenuous efforts that he has been Chairman, with others seeking their salary if important.

Mr. Morris, who was nominated as FPC Chairman in the 1937 to 44 a Democrat elected 1948, was not an odd political career. A former Mayor of Creighton, N. C., he deserted the Democratic party when it was nominated for President and helped swing North Carolina to Herbert Hoover.

Mr. Hoover rewarded his Republican aid by the Federal Power Commission, but when Franklin Roosevelt was nominated, Mr. Morris actually jumped back on the Democratic bandwagon and became a student for Democrat. He was Democratic nominee with Roosevelt, who also first gave to Truman under the Democrat.

Although the Republicans proposed appointing two of the Commission and in the end by his attorneys to become members on broadcasting, he thinks that radio stations are semi-public utilities, and he insists to remove monopoly or broadcasting outlets.

His Western ranch land will soon be bulldozed and house planning to officially discharge Gen. General Counsel, E. Franklin Wheeler, Chief Hearing Examiner, Lewis G. Arnold, Chief Engineer, and Albert G. Kelly Publicity "Counsel".

Commissioner Frederick and Doris Throssell had great by getting elected the "Purge" and Democrat Commissioner defeated, with concerned the loss of removing the Chief Clerk to a Commission Agency to "purge" the Republican, Chief Clerk.

Mr. Morris is a former Senator Tobias (D.), of Nebraska introduce such a bill merely in the country, but such an outcry of disinterested was raised in the press and the radio industry that Mr. Morris quickly withdrew the bill.

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## FOUR NEW STATIONS AUTHORIZED BY FCC

Construction permits for four new broadcasting stations were granted tentatively this week by the Federal Communications Commission. Two of them are to be operated by newspaper publishers.

The applicants are:

Niagara Falls Gazette Publishing Company, for a new station in Niagara Falls, N.Y., to operate on the frequency 1260 kc., with power of 1 KW, during daytime hours.

Vincennes Newspapers, Inc., Vincennes, Indiana, for a construction permit to erect a new station to operate on 1420 kc., with 100 watts, unlimited time.

Pontiac Broadcasting Company, Pontiac, Mich., for a construction permit to operate on frequency 1100 kc., with power of 1 KW, daytime only.

John R. Pepper, Greenville, Miss., for a construction permit to erect a new station to operate on 1310 kc., with power of 100 watts night, 250 watts, until local sunset, unlimited time.

Two license transfers also were approved.

Acting on the application of Charles R. Cook, Transferor, for consent to the transfer of 127½ shares of the Commodore Broadcasting Company, Inc., Licensee of Station WJBL, Decatur, Illinois, to the Decatur Newspapers, Inc., the Commission granted the application for Consent to Transfer Control of the Commodore Broadcasting Company, Inc., licensee of WJBL, to Decatur Newspapers, Inc. The station operates on 1200 kc., with 100 watts, sharing with Station WJBC.

The Commission also granted the application of Corn Belt Publishers, Inc., Transferees, for Consent to Transfer of Control of Drovers Journal Publishing Company, Licensee of Station WAAF, to Ralph W. Dawson, et al, transferees. Station WAAF operates on 920 kc., 1 KW, day.

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## MARS IGNORES RADIO SIGNALS FROM MOTHER EARTH

Inhabitants of Mars, if any, blithely ignored radio signals of good will Thursday night when Station WOR, New York, attempted a unique, if futile, experiment to penetrate the 36,000,000 miles between Mother Earth and Mrs with a high frequency signal.

## FOUR NEW STATIONS AUTHORIZED BY FCC

Construction permits for two new broadcasting stations were granted tentatively last week by the Federal Communications Commission. Two of them are to be operated by newspaper publishers.

The applicants are:

Niagara Falls Gazette Publishing Company, for a new station in Niagara Falls, N.Y., to operate on 1010 kc., 500 w., with power of 1 kw. during daytime hours.

Tidewater Broadcasters, Inc., Tidewater, Oregon, for a construction permit to build a new station to operate on 1240 kc., with 100 watts, unlimited time.

Pontiac Broadcasting Company, Pontiac, Illinois, for a construction permit to operate on frequency 1500 kc., with power of 1 kw., daytime only.

John R. Fisher, Zanesville, Ohio, for a construction permit to erect a new station to operate on 1500 kc., with power of 100 watts night, 250 watts, until local sunset, unlimited time.

Two Illinois broadcasting stations were approved.

Action on the application of Charles R. Cook, Trustee, for a permit to the operator of WJBC, Bloomington, Illinois, to use Lincoln Broadcasters, Inc., the Commission denied the application for consent to transfer control of the Bloomington Broadcasting Company, Inc., licensee of WJBC, to Lincoln Broadcasters, Inc. The station operates on 1370 kc., with 100 watts, time shared, WCBS.

The construction permit granted the Lincoln Broadcasters, Inc., Tuscaloosa, for permit to construct a station to operate on 1500 kc., 1 kw., day.

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## NEW TRANSMITTER PLANT SERVES TWO STATES

Independence, Kans., Kansas City, Missouri, Kansas City, Kansas, and a number of good will Kansas City, Missouri, Kansas City, Kansas, Independence, Kansas, constituted a unique, if rural, experiment in broadcasting when the Kansas City, Missouri, 1,000,000 watts transmitter, Kansas City, Kansas, and the Independence station, Kansas City, Kansas, joined in a joint transmitter plant.

The experiment, as described by the New York Times, created considerable interest and some sarcastic comments by spectators, chiefly newspaper men.

"The American Museum of Natural History, which has sent expeditions to all parts of the terrestrial sphere until there is very little of it left to explore, set out on its first interplanetary adventure last night in an effort to communicate with Mars by radio", the Times reported. "The occasion was the close approach of Mars yesterday, when it was at the nearest point to the earth since 1924.

"The museum's Martian 'expedition' was headed by Dr. Clyde Fisher, Curator of the Hayden Planetarium, with Hans Christian Adamson, Chairman of the Museum's Committee on Public Press Information, acting as co-leader. Headquarters for the Museum's explorers were established at the Baldwin (L.I.) plant of Press Wireless, Inc., operated by WOR, where a group of radio engineers gathered last night for the most ambitious radio program in history.

"The first part of the expedition's program consisted in listening for signals that might possibly come from Mars. Forty men sat listening tensely to powerful short-wave receivers tuned in to different frequencies, ranging from 16 to 300 kilocycles. Many strange sounds came to their ears, leading some to believe that Mars might be populated largely by a species of cats. Others, more skeptical, ascribed the sounds to terrestrial atmospherics.

"At 11:22, when Mars was at a 30-degree angle to the Baldwin position on the earth, the signal was given for the second phase of the evening's adventure. At a signal from Mr. Adamson, radio engineers threw into operation a high-frequency radio transmitter, operating on 20,000,000 cycles, with a power of 20,000 watts. A long dash was aimed straight at Mars, a tiny dot in the heavens more than 36,000,000 miles away, which, to make matters a little more difficult, was at that time completely hidden by thick dark clouds.

"'If that signal should break through the ionized layer', Mr. Adamson informed the curious by-standers, mostly newspaper men, 'and if it should hit Mars squarely, it should be reflected directly back at the earth by the mineral substance of Mars. The round-trip of the signal should take approximately six and a half minutes.'

"The forty powerful short-wave receivers tuned in once again and the radio engineers sat listening for the signal's return. Once again there were those who insisted they heard something. But the skeptics in the gathering spoiled it all by pointing out that the same sounds could be heard several minutes before the expected time. To relieve the tension some one offered the explanation that the Martians had bounced the signal back before it reached them."

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"The museum's Martian 'expedition' was headed by Dr. Clyde Fisher, Curator of the Hayden Planetarium, with Noel Christian Ashmore, Chairman of the Museum's Committee on Public Information, acting as co-leader. Headquarters for the Museum's explorers were established at the Baldwin (L.I.) plant of Press Wireless, Inc., operated by RCA, where a group of radio engineers gathered last night for the most ambitious radio program in history.

"The first part of the expedition's program consisted in listening for signals that might possibly come from Mars. Forty men sat listening intently to powerful short-wave receivers tuned in to different frequencies, ranging from 15 to 500 kilocycles. Many strange sounds came to their ears, leading some to believe that Mars might be populated largely by a species of crickets. Others, more skeptical, ascribed the sounds to terrestrial atmospherics.

"At 11:30, when Mars was at a 30-degree angle to the Baldwin position on the earth, the signal was given for the second phase of the evening's expedition. At a signal from Mr. Ashmore, radio engineers threw into operation a high-frequency radio transmitter, operating on 20,000,000 cycles, with a power of 20,000 watts. A long beam was aimed straight at Mars, a tiny dot in the heavens more than 36,000,000 miles away, which, to make matters a little more difficult, was at that time completely hidden by thick rain clouds.

"'If that signal should crash through the ionized layer,' Mr. Ashmore informed the curious by-standers, mainly newspaper men, 'and if it should hit Mars squarely, it should be reflected directly back at the earth by the mineral substance of Mars. The round-trip of the signal should take approximately six and a half minutes.'

"The forty powerful short-wave receivers tuned in once again and the radio engineers sat listening for the signal's return. Once again there were those who insisted they heard something. But the skeptics in the gathering spoiled it all by pointing out that the same sounds could be heard several minutes before the expected time. To relieve the tension some one offered the explanation that the Martians had received the signal much before and replied then."

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## FCC ACTS ON 290 OF 325 HEARING DOCKET CASES

The Federal Communications Commission this week announced that since November 15, 1938, it had disposed of 290 of a total of 325 broadcast hearing docket cases. Of the 35 not disposed of by the Commission, 12 cannot be acted upon by reason of contingencies beyond the control of the Commission, such as possible conflict with Havana Radio Broadcast Treaty and pending litigation. Of the remaining 23 docket cases decisions are in the course of preparation for early action by the Commission.

In addition to the foregoing 325 cases, there are 19 cases recently heard which are not available to the Commission for action because of lack of completion of the cases by litigant parties to the proceedings.

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## LOHR TO THE RESCUE?

Quoting an International News story, Earl Godwin, NBC commentator in Washington, said that it had been reported that some exhibitors at the New York World's Fair were starting a movement to try to get Maj. Lennox Lohr, President of the National Broadcasting Company, to pull the New York Fair out of the red. According to the New York Times, the Fair is 100,000 persons a day behind in attendance necessary to make it a financial success.

Major Lohr, along with Mr. Rufus Dawes, is credited with the success of the Chicago World's Fair.

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## BRITISH RADIO LICENSES INCREASE 5 PERCENT

The British Post Office issued 455,174 radio receiving licenses during May, representing a net increase of 21,544, or 5 percent, in the number of license holders during the month after making allowance for expired licenses and renewals, according to the American Commercial Attache at London.

The approximate total number of licenses in force at the end of May was 8,984,250, compared with 8,627,860 at the end of May 1938, an increase during the year of 356,390 or 4.1 percent.

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## TRADE NOTES

The Federal Communications Commission has adopted Standards of Good Engineering Practice for Ship Stations, to become effective immediately. These Standards will be printed in a later issue of the Federal Register. Copies are now available for inspection in the office of the Commission.

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Station KWFT, Wichita Falls, Texas, is now available to CBS clients as a member of Columbia's Southwestern Group. This latest addition to CBS facilities operates on 620 kilocycles, with power of 250 watts nighttime, and 1,000 watts daytime.

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Radio industry payments of the Federal 5 percent excise taxes were 23 percent larger in the first six months, ending June 30, 1939, than in the similar half-year period of 1938, although the fiscal year radio tax collections were 17.3 percent below 1938. Radio tax collections in June, largely covering industry operations for last May, however, showed a sharp reduction of 42.4 percent from June 1938. The June radio tax collections were $258,438.23 compared with June 1938 collections of $448,882.61.

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John Joseph Gilbert, Vice-President and a Director of the International Standard Electric Corporation and Export Manager of the International Telephone and Telegraph Corporation, died at his home in Brooklyn Wednesday at the age of 67. Among his business associates Mr. Gilbert was credited with being one of the pioneers in extending the sale and use of the telephone in foreign countries. Over a period of years, beginning shortly after the Spanish-American War, he was described as having played a conspicuous part in the sales of equipment made in the United States to South America and Europe.

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The Federal Communications Commission this week announced the adoption of its final order granting the application of Mutual Broadcasting System, Inc., Chicago, Ill., for authority to transmit programs to broadcast stations in Canada.

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The Federal Communications Commission tentatively rejected this week a proposal to set up a radio paging service for physicians and surgeons in the New York City area. Sherman C. Amsden, who operates a doctors' telephone service in that city, asked the Commission for a construction permit to erect a special emergency radio station.

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## Short News

The Federal Communications Commission has approved standards of good engineering practice for AM Stations, to become effective in January. These standards will be printed in a later issue of the Federal Register. Copies are now available for inspection in the office of the Commission.

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Station KWKH, Shreveport, Texas, is now available to CBS clients as a member of Columbia's Southwestern group. This latest addition to CBS facilities operates on 850 kilocycles, with power of 250 watts nighttime and 1,000 watts daytime.

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Radio tax revenues of the Federal Government during June were 8% greater than in the first six months, ending June 30, 1939, than in the initial half-year period of 1938, although the fiscal year radio tax collections were 17.5 percent below 1938. Radio tax collections in June, largely covering industry operations for last May, showed a sharp reduction of 6.4 percent from June 1938. The five radio tax collections were $468,424.60 compared with June 1938 collections of $499,[illegible].

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John Denny Crosby, Vice-President and a Director of the International Standard Electric Corporation and General Manager of the International Telephone and Telegraph Corporation, died in Brussels, Thursday, July 20 of [illegible]. Mr. Crosby was associated in business with Sosthenes Behn since the pioneers in exploring the world for the telephone in foreign countries. During a period of years, beginning shortly after the Armistice, Mr. Crosby was directly or indirectly a conspicuous part in the financial connections made in the United States to South America and Europe.

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The Federal Communications Commission late last August approved the assignment of the FM and other properties of the Radio Broadcasting Corporation, Inc., Chicago, Ill., for consideration to transmit programs to commercial stations in Canada.

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The Federal Communications Commission tentatively adopted this week a proposal to set up a music pooling system for operations and programs in the New York City area. Stanton C. Landon, who operates a country' telephone service in Lost City, asked the Commission for a construction permit to erect a central emergency radio station.

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# RADIO AN INSTRUMENT OF PEACE, SAYS BBC CHIEF

Addressing his remarks in German to listeners in Germany, F. W. Ogilvie, Director General of the British Broadcasting Corporation, recently spoke on the influence of broadcasting in promoting peace over BBC international transmitters. His remarks follow, in part:

"What can broadcasting do for peace? Well, some fifteen years ago perhaps the answer might have been: Not much. Broadcasting was then fundamentally a regional matter only: you would have been lucky if, in Bremen, say, you could hear the broadcast of the launching of a ship at Hamburg only eighty km. away; and it would have been quite unthinkable that listeners in the north of Germany should hear, say, the chug of that lovely little train from Partenkirchen up the Zugspitz in the south, or the clanking of textile machinery at Breslau in the east. Then broadcasting became national, covering pretty well the whole of a country; and now, quite fairly quickly, it has become international. Broadcasting across national frontiers - on short waves principally, but also to a large extent on medium and long waves - is now a regular feature of most broadcasting organizations; and it is obviously something which has not merely come to stay, but is likely to develop much farther, both technically and in other ways.

"The BBC was comparatively late in entering this field of international broadcasting. It was only eighteen months ago - in January of last year - that our first service in a foreign language began: we now have eight such services, including this one in which I have the honor to be speaking to you tonight. You also, of course, like other countries, do a great deal of broadcasting in foreign languages.

"Well, what are we to think of it all? Each one of us, of course, is entitled to his own opinion. My own personal opinion, for what it is worth, is that this world-wide development of international broadcasting has in it, perhaps, greater and more far-reaching possibilities of good than almost any other movement of our time. Have not the troubles of the world throughout history-troubles within a country, and troubles internationally - been due very often and very largely to misunderstanding; to ignorance of facts and ignorance of other people's ways of life and their points of view - which also are facts, and facts of a very important kind? For in the last analysis people act in such-and-such a way because they think in such-and-such a way; and I suppose we should all agree that wrong thinking has led most of us, at one time or another, both privately and publicly, into needless difficulties.

"To help us to know one another in things big and little: that surely is what international broadcasting can do as perhaps nothing else can, and is not that one of the surest ways to peace? In our BBC foreign language services, as in our home services, we try to give listeners what we think will interest them, and we are always very glad to know what listeners,at home or abroad, think about our broadcasts."

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## HENYAN MANAGER OF G-E RADIO TRANSMITTER AND TUBE SALES

George W. Henyan, for the last nine years Sales Manager of the Radio Department of the General Electric Company at Schenectady, has been named Manager of the Transmitter and Tube Sales Divisions of the Company's recently organized Radio and Television Department. The appointment, announced by Dr. W. R. G. Baker, Department Manager, is effeftive at once. Mr. Henyan will continue to make his headquarters in Schenectady.

Mr. Henyan graduated from the University of Texas in 1916 and entered the Test Department of General Electric in October of the same year. Except for a period from 1917 to 1919, when he enlisted for military service, he has been continually associated with the company. From the test he was transferred to the Central Station Department as a commercial engineer in 1919, and in 1921 entered the Radio Department and has since been associated in this line of work.

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## RCA WINS DISK RIGHT IN COURT DECISION

RCA Manufacturing Company, Inc., complainant in an action against Paul Whiteman, W.B.O. Broadcasting Corporation and Elin, Inc., has established its right to control the use by radio broadcasters of phonograph records of its manufacture, according to a recent decision of Judge Vincent L. Leibell of the United States District Court for the Southern District of New York.

Although not a party, National Association of Broadcasters appeared in the action by its counsel and was permitted by the Court to argue the position of the broadcasting industry against that of the record manufacturer. Its counsel also filed extensive briefs which were carefully studied by the Court.

The Court has directed that an injunction be issued in favor of RCA Manufacturing Company and against W.B.O. Broadcasting Corporation, operator of Station WNEW, permanently restraining the further unauthorized broadcasts of Victor and Bluebird records. Injunctive relief is also directed in favor of RCA Manufacturing Company and against Paul Whiteman from further asserting, either directly or through National Association of Performing Artists, or otherwise, that he has the right to prevent or permit radio broadcasts of Victor and Bluebird phonograph records embodying his performances unless an express reservation of this right was made in his contract of employment. NAPA is an association recently organized to assert the claims of certain performing artists that they have the right to control the commercial use of records of their performances. Even where a reservation was made by Whiteman with respect to radio broadcasts of his records, injunctive relief was directed in favor of RCA Manufacturing Company against Whiteman

from further asserting that he has the sole and exclusive right to prevent or permit radio broadcasts of RCA Manufacturing Company's records embodying his performances.

The decision establishes that both the record manufacturer and the performing artist are possessed of rights. The RCA Manufacturing Company rights, it was found, arise out of its manufacture of the records and their marketing with notices appearing on the labels and envelopes restricting their use to the home. The Court further found that use of phonograph records by broadcasters without the manufacturer's permission constitutes unfair competition with the manufacturer.

Officers of RCA Manufacturing Company stated that its counsel are carefully considering the legal effect of the decision. The Company plans to adopt a policy under which it will make many Victor and Bluebird records available for broadcasting purposes upon payment by broadcasters of a reasonable fee; also, it is contemplated that such fees will be equitably divided between the recording artist, the copyright proprietor and the record manufacturer so that reasonable compensation may be derived for groups which have heretofore complained of uncontrolled broadcasts of records, and full justice done to the artist, the copyright proprietor and the record manufacturer, as well as to radio broadcasters themselves.

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## KSTP ARRANGES TO BUY RCA TELEVISION UNIT

Arrangements for the immediate installation of a television picture system for demonstrating television to the public of St. Paul and of the surrounding territory, have been completed by Stanley Hubbard, President of Station KSTP, with the Engineering Products Division of the RCA Manufacturing Company.

The television equipment is similar to that now in use at the New York World's Fair and at the Golden Gate Exposition, where the public has an opportunity to be televised and to see others televised. It consists of an electronic camera, with the famed Iconoscope television "eye", which picks up the images and carries them by special cable to a number of standard home television receivers.

Mr. Hubbard plans first to install the equipment, which is being shipped from the RCA Manufacturing Company's Camden, New Jersey plant, in the KSTP studios, at St. Paul. Later, he expects to set the equipment up in outlying districts which are not likely to have television service for some time yet, so that they too will have an opportunity to see the excellent pictures that are now possible with the type of high-definition television system that is now servicing the New York metropolitan area with regular television programs.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF AUGUST 1, 1939.




No. 1145

August 1, 1939.

POLITICIANS AGAIN MANHANDLE RADIO INDUSTRY

(Editorial)

Once more a political appointee has been named by President Roosevelt to head the Federal Communications Commission. Although Mr. James M. Fly, slated to be the new Chairman, has an excellent record and may prove a very good man, nevertheless he would fit in just as well as the head of any other Government body. Like so many of his predecessors, he has no particular knowledge of the radio or communications industries and, as far as they are concerned, he is just another one politically favored who has been wished on them and who, at their expense, must learn the business from the ground up.

Of the six Chairmen, the Radio and Communications Commissions have had during their twelve years of existence, only two of them - the late Admiral Bullard and General Saltzman - had any technical knowledge of the industries. The others - Judge Sykes, Judge Robinson, Messrs. Prall and McNinch - were political appointees.

Although the life and death of the broadcasters is in the hands of this Government group, it is doubtful even with the aid of the National Association of Broadcasters, which has always been very weak in this respect, and still is, whether they have been a factor or in many instances even been consulted in the naming of a single Commissioner. The broadcasters "see" or communicate with a lot of people on the Hill and run around in a lot of circles where they are beautifully kissed off each time, but when the smoke clears away they find some Tommy Corcoran, as was supposed to be the case with Mr. Fly, has saddled another politician on them. True some of these appointees have proved to be very capable men but that wasn't why they landed on the Commission. It was because the Administration and the <u>politicos</u> wanted to put them there. That they proved themselves of any value was a lucky break for the industry.

Of the twenty-two men appointed to the FRC and FCC, only eight of them had any previous radio or communications experience. They were: Admiral Bullard, former radio expert of the U. S. Navy; O. H. Caldwell, radio engineer and editor; Henry A. Bellows, radio station operator; Col. John F. Dillon, U. S. Radio Inspector; Sam Pickard, director of an agricultural college radio station; General Saltzman, former Chief of the U. S. Signal Corps; Irvin Stewart, State Department radio chief; and Commander T.A.M. Craven, radio engineer and former Navy radio expert.

As against those eight, either the White House or the politicians, or both, have been responsible for the appointments of the following fourteen Commissioners who had had no previous radio experience but who were "right" politically: Thad Brown, Judge Robinson, Judge Sykes, Anning S. Prall, George Henry Payne, James H. Hanley, Frederick I. Thompson, Frank R. McNinch, Governor Norman S. Case, Hampson Gary, Harold A. Lafount, William D. L. Starbuck, Paul Walker, and the man who, up to a week ago, probably not one in a hundred in the radio or communications industry had ever heard of - Mr. James L. Fly.

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McNINCH TO SUBMIT REPORT ON FCC "REFORMS"

Frank R. McNinch, before formally quitting as Chairman of the Federal Communications Commission, will deliver his swan song on his two-year tenure in a report on "the major improvements in the FCC since I took office." His resignation is effective September 1st.

The report, which will be submitted to President Roosevelt, is expected to be a defense of the purge-that-failed and a final slap at Commissioners T.A.M. Craven and George Henry Payne, who resisted his would-be dictatorship.

Mr. McNinch, who will enter the private practice of law upon his return from an ocean voyage, has been assured a retainer by the U. S. Government that will be as large as the salary he earned as FCC Chairman. Either as Special Counsel, or in a similar capacity, Mr. McNinch will handle special litigation, largely in the power field, for the Justice Department at a reputed retainer of $10,000 a year. At the same time he will be permitted to engage in the private practice of law.

In his letter of resignation, released at the White House late Friday, Mr. McNinch said that the Federal Communications Commission cannot function to the maximum of efficiency with the "present personnel and within the inadequate framework" of the Communications Act.

He pointed out in his letter that the President had asked him to resign as Chairman of the Federal Power Commission in 1937 and take over the FCC Chairmanship to reorganize its work "to enable it to function more speedily and more uniformly and more nearly to our satisfaction."

"We both expected this task would be accomplished long before this time", he added. "Once having undertaken this work, however, I found it so fraught with problems and difficulties and the Commission so disunited that not until now have I felt justified in respectfully requesting you to release me from further service at the Commission.

As matters there stand, either the White House or the [illegible] institutions, or both, have been responsible for the [illegible] of the following Communist Conspirators who had [illegible] to prevent [illegible] and the very "elite" political life: [illegible] Brown, [illegible] Fahnoun, Charles Sakes, Marion T. Ferrell, George Henry Payne, [illegible] W. Ludlow, Frederick L. Thompson, Frank R. Wilson, Governor [illegible] S. Dunn, Hermann Bern, Harold G. Ordway, William L. L. [illegible], Paul Sykes, and the [illegible], up to a week ago, [illegible] not one in a hundred in the ranks of communistic [illegible] ever heard of - Mr. James L. Fly.

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## Message to Public Report on the Warning

Frank E. Mullen, whom Fortune calls "one of the [illegible] of the Federal Communications Commission," will deliver his [illegible] on his two-year tenure in a report on "the major improvements in the FCC since I took office." The recommendation is [illegible] effective September 1st.

The report, which will be addressed to President Roosevelt, [illegible], is expected to be a blueprint of the government-initiated and [illegible] at Communications U.S.A. Director John Marshall Payne, [illegible] to relation his [illegible] disassociation.

Mr. Mullen, who will enter the private practice of law [illegible] his return from a seven months' [illegible] a position [illegible] U. S. Government [illegible] in the [illegible] he [illegible] on the [illegible] Director is Special Counsel, or in [illegible] capacity, Mr. Mullen will be [illegible] anticipating, [illegible] in the power field, for the electric investment of a [illegible] of [illegible] a year. At the same time, he will be [illegible] to [illegible] in the [illegible] monopoly of [illegible].

In his letter of resignation, addressed at the White [illegible] Friday, Mr. Mullen said that the Federal Communications [illegible] cannot function in the [illegible] of a harmony with the [illegible] personnel and within the [illegible] "of the [illegible] and [illegible].

He pointed out in his letter that the President and [illegible] him to realize an [illegible] of the Federal Power Commission in [illegible] and that over the [illegible] to [illegible] the work [illegible] to unify it to [illegible] and [illegible] to our relationship."

"My job supplies this [illegible] and [illegible] long [illegible] time this [illegible]," he [illegible]. "Once [illegible] monopolies and utilities and [illegible] I found it [illegible] and [illegible] and [illegible] in responsibility [illegible] the law to release [illegible] rates at the [illegible].

"I do not believe I could contribute a great deal more by continuing as Chairman unless I desired to continue in the work indefinitely, which I have no desire to do."

Mr. McNinch said reorganization of some Commission procedure and "certain personnel changes" had contributed toward a marked improvement in its efficiency, but "it is not possible to reach the maximum of efficiency in the public interest with the present personnel and within the inadequate framework of the Communications Act".

Accepting the resignation, the President in a "My dear Frank" letter, said he did so "with reluctance and sincere regret because of the high type of service you have rendered in the public interest."

"I realize that I imposed a heavy burden upon you when I asked you to resign as Chairman of the Federal Power Commission and assume the duties of the Chairmanship of the FCC. I know that the task of reorganization, with which you were confronted, was a heavy one, and I appreciate your present conviction that you could not see the work through to completion without continuing with the Commission indefinitely.

"For all that you have done - much of it imposing a tremendous strain on your physical strength - I desire to express gratitude and appreciation. And although your retirement from the public service is deeply regretted I do hope that in the less exacting demands of private life you will find speedy restoration to health and strength."

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SECOND RECESS MEETING SCHEDULED BY FCC

The Federal Communications Commission will hold another "summer session" to clear up accumulated business next Monday. Because two of its members - Commissioners Walker and Payne - leave for the Pacific Coast August 9th on FCC business, it was decided to schedule the meeting at that time.

The FCC at its meeting last week virtually cleaned up its docket with all cases ready for decision said to be current.

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The Federal Communications Commission granted the application of Orville W. Lyerla for a construction permit to erect a new station at Herrin, Ill., to operate on the frequency 1310 kc., with power of 100 watts night, 250 watts local sunset, unlimited time.

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## COPYRIGHT PARLEY SLATED; LEGISLATION DELAYED

Organized broadcasters and spokesmen for the American Society of Authors, Composers, and Publishers will meet in New York on Thursday of this week in an effort to reach an agreement on the terms of a new contract to govern the broadcasting of copyrighted music.

As there appears no prospect of remedial legislation by Congress at this session, the copyright question again will have to be settled between the National Association of Broadcasters and ASCAP in a give-and-take bargaining conference as in the past.

The NAB Copyright Committee, headed by Neville Miller, has been accorded broad powers to call a special NAB convention if it is unable to reach an agreement with the ASCAP officials.

Prolonged negotiations may follow the New York meeting as ASCAP to date has shown little inclination to substitute a new type of uniform performing rights contracts, as desired by NAB, for the current schedules, whoch do not expire until December 31, 1940.

Meanwhile, Senator Wheeler, Chairman of the Senate Inter-State Commerce Committee, has entered the copyright negotiations by sponsoring a bill providing for the clearance of copyright at the source, whether by network or transcription.

The Wheeler Bill (S-2486) would amend the 1909 copyright law by providing that in case of an infringement by broadcasting, the liability for the use of a copyrighted work over two or more stations shall rest solely with the originating station. In the case of electrical transcriptions or other forms of recorded works, the responsibility would rest solely with the manufacturer.

No action is expected on the legislation, however, before next year.

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## BBC PLAYS UP U.S. SHORT-WAVE PROGRAMS

As a result of letters received showing that the American page in World-Radio published in London by the British Broadcasting Corporation and devoted to international radio programs and to cover adequately the outstanding transmissions received from the United States, this publication has decided to devote two pages to American short-wave programs and notes.

The first of these double-page spreads appeared in the issue of World-Radio for July 14 th.

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## U.S. AND MEXICO NEAR AGREEMENT ON RADIO PACT

After months of negotiations, the United States and Mexico appear to be reaching an accord on the allocation of broadcasting frequencies for the North American continent. This country, however, has been forced to consent to the continuation of the troublesome "border stations" which turn their powerful signals toward the United States.

Under the compromise which is expected to be accepted both by the State Department and the Mexican Government, the Havana agreement, with modifications, will become effective on February 1st next. Operation of this treaty has been held up by the refusal of Mexico to sign it.

The Havana Treaty would have eliminated the "border stations", which are operated chiefly by ex-American broadcasters and are aimed at American rather than Mexican listeners, but the compromise pact would permit Mexico to use six of its exclusive channels on the border at specified locations.

If the February 1st effective date is agreed upon, it will mean the Federal Communications Commission will be in a position to reallocate broadcasting facilities in this country in accordance with the terms of the Havana Treaty. This will mean a substantial number of frequency shifts, with many stations sliding 10 to 30 kilocycles within the band 550 to 1600 kc. However, the fact that six of Mexico's exclusive channels would be used on the border instead of in the interior of the country, will complicate certain of the frequency assignments contemplated originally.

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## REARGUMENT SCHEDULED IN "BROOKLYN CASE"

The Federal Communications Commission, upon its own motion, has ordered a reargument before the Commission on October 19, 1939, in the matter of the Voice of Brooklyn, Inc. (WLTH), United States Broadcasting Corp., (WARD), for renewal of licenses, and the Brooklyn Broadcasting Corp. (WBBC), for modification of license, insofar, only, as said application requests the facilities of WARD and WLTH.

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## U.S. AND MEXICO WRAP AGREEMENT ON RADIO PACT

After months of negotiations, the United States and Mexico appear to be nearing an agreement on the allocation of broadcasting frequencies for the Mexican northern territory. This country, however, has been forced to yield to the requirements of the stringent "border clearance" rules that their powerful neighbor towards the United States.

Under the agreements which is expected to be accepted by the State Department and the Mexican Government, the three-power agreement, with modifications, will become effective on February 1st next. Ratification of this treaty has been held up by the refusal of Mexico to sign it.

The Mexican Foreign Ministry has eliminated the "border clearance", which was operated mainly by the American broadcasters and are aimed at limiting their long-range signals, but the government would probably agree to use one of its exclusive channels on the border for specified broadcasts.

If the February 1st effective date is agreed upon, it will seem the Federal Communications Commission will be in a position to realize the long-delayed facilities in this country to provide this for the benefit of the Mexican listeners. This will mean a substantial number of frequency shifts, with many stations shifting 10 to 20 kilocycles within the band 550 to 1600 kc. However, the fact that all of Mexico's broadcasting stations would be based on the border instead of in the interior of the country, will complicate certain of the important establishments contemplated originally.

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## RELIGIOUS SUPPORTED IN "PRIVATE CASE"

The Federal Communications Commission, with its one dissenting, has ordered a preliminary hearing on Station WCBC, Anderson, Ind., in the matter of the Voice of Prophecy, Inc. (WCBC). United States Broadcasting Corp. (WAPO), International Broadcasting Corp. (WRUL), and the Broadcasting Corp. (WRUL), and Radiotelephone of Delaware, Inc., (WRUL), in that unless the requirements of the Rules of WRUL and WCBC.

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## FLY NOMINATION APPROVED AFTER CLOSED INQUIRY

The Senate Interstate Commerce Committee reported favorably the nomination of James Lawrence Fly as a member of the Federal Communications Commission this week after questioning the nominee in executive session. Prompt confirmation by the Senate was expected.

The White House is understood to have consulted Senate leaders before announcing the nomination to make sure that Mr. Fly would be confirmed before adjournment.

One of the sponsors of Mr. Fly on Capitol Hill is Senator Norris (Republican-Indepedent), of Nebraska, father of the TVA, with which the nominee has been associated as General Counsel.

Meanwhile, broadcasters wondered whether Mr. Fly will attempt to apply the regulatory methods used in the power and public utility field to radio as did his predecessor, Chairman Frank R. McNinch.

The latter encountered immediate opposition both on the Commission and in the industry and was forced to abandon most of his ideas for governing broadcasting as though it were a quasi-public utility.

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## SINGLE RADIO QUESTION IN CENSUS SAMPLE TEST

A single radio question, "Does this household have a radio set?", has been included in the supplementary census schedule to be tested in mid-August when the Census Bureau conducts a special trial census in two Indiana counties, St. Joseph and Marshall.

The special census, first of its kind ever undertaken, is designed primarily to test questions on the proposed schedules, according to Census Bureau officials, and although results will be compiled and made public later, the general interest in the figures will be only temporary, since the territory will be covered again during the general population census in 1940. Final selection of the questions to be asked in the general census will not be made until the results of the special census have been analyzed and appraised, Secretary of Commerce Hopkins said.

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## G.E. SEES TELEVISION WIDESPREAD IN FEW YEARS

Within six or eight years, according to General Electric Company, "it is reasonable to assume that television facilities will have pretty well covered the country and that television receivers will be standard equipment in millions of homes."

A booklet on "Television" was included this week with the 68th quarterly report to G.E. stockholders. After describing General Electric's activities in the field of television production and manufacturing, the booklet takes a glimpse at "the future of television".

"The ladies will be able to view the season's new hats and gowns paraded on live models, see interesting cooking demonstrations and all kinds of products and appliances in actual use, and receive lessons from experts in interior decorating and gardening", the booklet says. "Television will make it possible for the entire family to enjoy - at home - baseball, football, sporting events of every kind, the theater, and other forms of entertainment.

"Instead of doing to the motor shows to see the new cars, we shall be able to sit comfortably in our living rooms and see the new models paraded and demonstrated. The automobile manufacturer can take us behind the scenes in his factory and show us any step or process in the making of a car.

"It is possible that television will act as an 'electronic peddler'. The housewife will be able to see the wares of department stores, make notes on bargains and prices, and then phone in her orders and save the many hours required in going from store to store.

"Television is rapidly coming to be one of many electrical helpers, supplementing, not supplanting, its predecessors.

"Just as the telephone did not do away with the telegraph, radio did not do away with the telephone, and television will not do away with radio. But television can now aid these other great benefits by extending man's horizons, and contributing to his material comforts."

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Station WMT, Cedar Rapids, Iowa, will rejoin Columbia on May 1, 1940. The station operates on 600 kilocycles, with power of 5,000 watts day and 1,000 watts night.

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## EXPORT TRADE TO BE THEME OF BRITISH RADIO SHOW

Special displays of receiving-sets, batteries, loud-speakers, aerials, and anti-interference devices designed for use overseas are to be an outstanding feature of the 1939 Radio-lympia, Britain's annual radio exhibition, which is to take place from August 23 to September 2. Every British radio manufacturer marketing sets for oversea use will be represented, and guides and interpreters will be in attendance to show the visitor that, in whatever part of the world he lives, there is a British set to suit his listening needs.

The export section is only one of the many innovations designed to make the 1939 Radiolympia the most ambitious in the Exhibition's seventeen-year history.

In addition to the extensive BBC exhibits - a miniature Broadcasting House, containing displays reflecting every phase of BBC activity, will be the central feature of the main exhibition hall - there will be special displays by the British Army, Navy, and Air Force, showing radio's part in the work of the Forces, and the British Post Office, as usual, will take its customers behind the scenes of its varied services.

A model factory revealing how a receiving set is made, and daily demonstrations, by means of records, of good and bad reception are other features that will be included for the first time.

No spectacular developments in receiving-set design are expected, but emphasis will be laid on the advantages of the modern short-wave receiver and the refinements - press-button tuning and remote-control, for exampel - that have been introduced in recent years and further developed during the past twelve months.

"Considerable space will be occupied by displays of television apparatus, a branch of radio in which the British manufacturer may claim to lead the world", the BBC stated. "The would-be viewer will have a unique opportunity of proving that the 1939 vision receiver fully justifies the claim."

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## MILITARY PERMIT SYSTEM FOR CZECHS ABOLISHED

The American Commercial Attache at Berlin reports that the Ministry of National Defense (in liquidation) of the Protectorate Bohemia-Moravia has announced that on their suggestion the German military office (Wehrwirtschaftsingspektion Prag) abolished the military permit system on the import and export of radio

receiving sets. It will be remembered that in addition to import permits for which a few of 5 percent ad valorem is being charged, radio apparatus in former Czechoslovakia was also subject to military permit.

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RADIO DEBATE ON FCC RULES PROPOSED BY CURRAN

The Rev. Edward Lodge Curran, President of the International Catholic Truth Society, this week challenged Representative John Cochran (D.), of Missouri, to a public debate on his Bill to preclude the Federal Communications Commission from issuing any rules which would have the effect of "limiting international programs, originating in this country, which will reflect the culture of the United States, or promote international goodwill, understanding, or cooperation".

In a letter to Congressman Cochran, Dr. Curran suggested, "from the standpoint of public interest, that you arrange with Mr. Neville Miller, President of the National Association of Broadcasters, for a nation-wide broadcast on which I shall be glad to defend the purposes of Section 42.03 of the rulings of the Federal Communications Commission, while you criticize them."

Dr. Curran also called Congressman Cochran's attention to the recently-adopted Code of Ethics of the National Association of Broadcasters which provides for equal radio facilities for both sides of controversial issues, and he further reminded the Congressman, in view of the protests filed with the Commission against the adoption of Section 42.03, by the American Civil Liberties Union and the National Association of Broadcasters, that, "I feel sure Mr. Miller will be only too willing to grant your request."

"Naturally", said Dr. Curran, "I possess no freedom of speech on the floor of Congress, and, therefore, I feel that the importance of Section 42.03 entitles the American public to a fair and open discussion of its merits and demerits."

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Crosley Corporation and subsidiaries, Cincinnati, this week reported net profit for the quarter ended June 30, of $193,141, equal to 35 cents a share on common stock, compared with $208,916, or 38 cents a common share, in th preceding quarter and $24,266, or 4 cents a share, in the June quarter last year.

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[illegible] here. It will be remembered that in [illegible] to [illegible] for which a fee of $ [illegible] was [illegible] to [illegible] public [illegible] in [illegible] to [illegible] military [illegible].

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WHAT PEACE DO YOU PLAN PROCEED BY CHURCH

The Rev. Edward [illegible] Curran, President of the International Catholic Peace Society, gave a stirring [illegible] address [illegible] Chicago, on Thursday, to a public [illegible] his [illegible] to [illegible] Communications Commission from [illegible] May 1[illegible] [illegible] effect of [illegible] [illegible] progress [illegible] in this country, which will [illegible] the [illegible] of the United States, to promote [illegible] good-[illegible], understanding, or cooperation".

In a letter to Commissioner Coulter, Mr. Curran [illegible] said, "Even the [illegible] or [illegible] interest, [illegible] you [illegible] [illegible] Mr. Lovett with [illegible] President of the National Association [illegible] Broadcasters. [illegible] a [illegible] [illegible] I [illegible] [illegible] to defend the [illegible] of the [illegible] of the Federal Communications Commission, while you criticize them."

Dr. Curran also [illegible] Commissioner Coulter's [illegible] the recently-[illegible] [illegible] of the National Association of Broadcasters [illegible] for equal [illegible] facilities [illegible] of [illegible] [illegible] and [illegible] [illegible] Congressman [illegible] the [illegible] [illegible] [illegible] [illegible] against the [illegible] of [illegible] $6,000, by the [illegible] [illegible] Liberties Union and the National Association of Broadcasters, that, "I feel sure the [illegible] will be only too willing to grant your request."

"Naturally", said Dr. Curran, "I possess no [illegible] of [illegible] on the floor of Congress, and, therefore, I feel that the [illegible] of [illegible] $6,000 [illegible] the American public to [illegible] the open discussion of the merits and demerits."

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Profits Corporation and Subsidiaries, Incorporated, [illegible] reported net profit for the quarter ended June 30, of $[illegible], equal to 30 cents a share on common stock, compared with $[illegible], or 50 cents a common share, in the preceding [illegible] and $[illegible], or [illegible] a share, in the first quarter last year.

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TWO-FIFTHS OF NATION GETS NEWS FROM RADIO

While newspapers still hold a substantial lead in furnishing the nation with news, radio has made deep inroads into the field, a survey published in the current Fortune discloses.

Most of the study deals with "The Press and the People", but the following table is of equal interest to broadcasters.

In answer to the question, from what source do you get most of your news about what is going on, the investigators obtained the following replies:

| | Total | Prosperous | Upper middle class | Lower middle class | Poor | Negro |
|---|---|---|---|---|---|---|
| | % | % | % | % | % | % |
| Newspapers | 63.8 | 70.7 | 70.0 | 63.6 | 58.1 | 51.6 |
| Radio | 25.4 | 17.8 | 21.0 | 26.8 | 31.3 | 28.3 |
| Friends | 3.4 | 1.1 | 1.2 | 2.5 | 4.8 | 12.2 |
| Both | 3.1 | 4.0 | 3.5 | 3.1 | 2.7 | 1.4 |
| Magazines | 2.3 | 4.5 | 2.7 | 1.9 | 1.3 | 3.1 |
| All other | 1.3 | 1.2 | 1.1 | 1.5 | 1.0 | 1.5 |
| Don't know | .7 | .7 | .5 | .6 | .8 | 1.9 |

Commenting on the tabulation, Fortune says:

"Here a cloud, no bigger than a man's hand, shows itself above the horizon. True, the newspaper lead is ample; but there is good cause for concern on the part of publishers in the fact that nearly two-fifths of the nation has found it can get most of its news without turning to newspapers; and that one-fourth relies most heavily on radio - an entertainment medium to which news transmission is admittedly a byproduct.

"Radio's inroad deepens from top to bottom of the economic scale, taking in nearly twice as many of the poor as the prosperous. (The impecunious Negro depends on newspapers less than all others, more on the gossip passed on by his friends.) By occupation, there are marked preferences. Executives, professionals, and retired people rely on newspapers even more heavily than do the prosperous; unemployed and students rely on radio even more than do the poor.

"There is one more reason why the publishers should ponder well the growing rivalry of radio: while the 63.8% who still favor newspapers are a plump majority, they are not a contented majority. They don't like some things about the press; indeed, many of them compare newspapers unfavorably to radio."

Question 2 deals with which does the better job - radio or newspaper, in the opinion of the people. According to the survey, 83% believe radio gets news to them more quickly, and

surprisingly, Fortune says, 12.9% consider the newspaper faster. The press presents news more fully, in the opinion of 79.6%, and on the score of accuracy the totals were almost identical - 38.3 for newspapers and 38.0 for radio. A total of 49.7% said radio gives news freer from prejudice. The newspaper's vote on this latter point was 17.1%.

The interpreters of news are studied in Question 3: "Which do you like best? - radio commentators, 39.3%; newspaper editorials, 25.9; newspaper columnists, 10.7,no choice, 18.4; don't know, 5.7. And so it appears", comments Fortune, "that radio is the U. S. public's preferred source of news interpretation. Indeed, the radio commentators are more popular than the editorial writers and columnists combined. Even the prosperous, who give the editorial writers a larger vote (33%) than any other economic group, prefer the commentators by a shade (34%); while the poor favor the radio pundits six to one over the columnists. The commentators ranked first of the three in every section of the country, and among all occupational groups except professionals, executives and retired people, who stand loyally by the press on nearly all questions."

Totals on the fourth question: "If you heard conflicting versions of the same story from these sources, which would you be most likely to believe?" are: A radio press bulletin, 22.7%; a radio commentator, 17.6 (radio total 40.3); an authority you heard speak, 13.0; an editorial in a newspaper, 12.4; an item in a newspaper, 11.11; a columnist in a newspaper, 3.4 (newspaper total 26.9);depends on paper writer or speaker, 11.6; don't know 8.2.

"There, perhaps is the most painful set of answers that the press must swallow from its public. For reasons implicit in Question 2, it may be an unjust answer, as much denoting an inappreciative body of readers as an inadequate press", the magazine comments. "However, that extenuation cannot completely explain away the weak hold on the public of the editorial writer and the columnist."

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## RCA QUARTERLY DIVIDEND DECLARED

David Sarnoff, President of the Radio Corporation of America, announced this week that a quarterly dividend on the outstanding shares of the Corporation's $3.50 Cumulative Convertible First Preferred stock, and a quarterly dividend on the outstanding shares of "B" Preferred stock, were declared at the regular meeting of the Board of Directors held July 28th. The dividend on the First Preferred stock is 87½¢ per share, and the dividend on the "B" Preferred stock is $1.25 per share. These dividends are for the period from July 1, 1939 to September 30, 1939, and will be paid on September 30th to stockholders of record at the close of business September 8, 1939.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.


INDEX TO ISSUE OF AUGUST 4, 1939




No. 1146

CONGRESS TALKS RADIO, BUT DOES NOTHING ABOUT IT

The first session of the Seventy-sixth Congress heard a lot of talking about radio and the Federal Communications Commission, but did nothing about it. All pending legislation, however, including the McNinch-Wheeler Bill to reduce the FCC to three members, goes over until the 1940 session.

Similarly, there were several preliminary moves toward a solution of the copyright problems, but no definite action was taken, and the Senate finally decided this week not to ratify the long pending International Copyright Convention before next year.

Congressional leaders on radio legislation expected that the fate of the Wheeler Bill and suggested amendments to the Communications Act will depend upon the success of the new FCC Chairman, James Lawrence Fly, and the recommendations he may have to make to the Administration and Congress next session.

Relations between Chairman Frank R. McNinch and Committees handling radio legislation were never cordial, and the House Appropriations Committee was outright hostile toward him this year.

The immediate future of the FCC, it is believed, will depend upon the ability of young Fly to win over these Congressional leaders if he is appointed Chairman of the FCC as rumored. As 1940 is an election year, however, any further move to reduce the membership of the Commission is likely to prove too hot to handle even by a Democratic majority.

The session opened with the eyes of Congress on the FCC because of the wide publicity given to the McNinch "purge". President Roosevelt's message to the Capitol, urging that the old Commission be scrapped and a new agency be set up started a display of fireworks that occupied public attention for weeks.

Senator Wheeler, while the sponsor of the McNinch bill, was never enthusiastic over it, and as soon as the cries of "dictatorship" were raised, he quietly shelved the legislation. He is not likely to revive it next year on his own initiative.

House critics of the FCC, principally Representatives Connery (D.), and Wigglesworth (R.), both of Massachusetts, introduced resolutions demanding an investigation of the FCC and the radio industry, but they were pigeon-holed by a Rules Committee obedient to the Administration.

Rumors that the Administration wished to revive the Pan American short-wave station project were met with the adamant refusal of the House Naval Affairs Committee to consider further the legislation feared by the broadcasting industry.

Mr. McNinch's plans for enlarging the FCC staff came to naught when the House Appropriations Committee held up the Commission's appropriation until almost the end of the fiscal year and then recommended an amount approximately equal to the previous year's expenditures.

Proponents of a modern copyright law are planning to force action at the next session after public hearings early in the year.

Last-minute objections of the National Association of Broadcasters to compromise copyright legislation were blamed for the postponement. Most parties concerned, including members of the radio industry, were said to be satisfied with the revised legislation and willing to see it enacted at this session of Congress.

The measure will be studied by the Library of Congress, the Justice Department, and the State Department during the recess, and reports will be made to the Patents Committees of both houses when the next session opens.

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FCC DENIED TELEPHONE FUNDS; WALKER ON CARPET

The House Appropriations Committee for the second time this session cracked down on the Federal Communications Commission this week by denying a budgetary request for an additional $210,000 to broaden the regulation of the telephone industry.

After a severe grilling of Commissioner Paul A. Walker, who conducted the telephone inquiry, the Committee revealed its dissatisfaction with the report filed by the FCC, the length of time consumed by the investigation, and its results.

Nineteen additional attorneys and other employees would have been employed by the FCC to carry out some of the recommendations in the telephone report had the appropriation been carried in the Third Deficiency Bill as recommended by President Roosevelt.

Commissioner Walker, who was the only Commissioner heard on the estimate, sought to defend the telephone inquiry and stated that many rate reductions over the country were traceable to the findings of the FCC.

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## FUNDS FOR RADIO CONFERENCES REFUSED BY HOUSE

The House this week refused to appropriate $30,000 to pay the expenses of American delegates to radio conferences in Santiago, Chile, and Stockholm, Sweden, next year, but it is probable that it will do so early in the next session.

The State Department asked $16,000 to send ten persons to the second Inter-American Radio Conference at Santiago and $14,000 for the expenses of nine persons to the International Radio Consulting Committee on Radio parley in Stockholm on June 25, 1940.

Members of the Committee, by their questions, indicated they are disturbed by the frequency and variety of international radio conferences.

Chairman Woodrum, of the Deficiency Sub-Committee, commented on the fact that the same countries participate in all of the conferences.

"You have six or eight meetings scattered all over the country", he commented, "and the same countries participate, and it seems to me you could divide up the subject matter and have the meeting at one place."

Harvey B. Otterman, Chief of the Division of International Communications, replied that this is not possible.

"They tried to do that at Cairo", he said, "and came to the conclusion that all of the problems could not be satisfactorily handled. For example, aeronautical radio is just one field. There are so many phases entering into these world conferences that to undertake to pin them down to all details of any one particular phase or for restricted areas is usually difficult."

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## RADIO SET EXPORTS SET NEW HIGH FOR JUNE

Exports of radio receiving sets components by this country rose to a new high of $466,591 for the month of June, Secretary of Commerce Harry L. Hopkins announced this week. This compares with the May figure of $368,913.

The export of radio receiving set tubes rose from $237,465 to $277,170 during the same period.

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NAB AND ASCAP FAIL TO COME TO TERMS AT PARLEY

Another long-drawn-out battle of words between the National Association of Broadcasters and the American Society of Authors, Composers and Publishers was foreshadowed this week after an NAB-ASCAP conference in New York failed to bring about an accord on the terms broadcasters propose for copyright music.

Neville Miller, President of the NAB and Chairman of the Copyright Committee, stated after the conference that the organized broadcasters immediately will begin to develop other sources of music to free the radio industry of dependence upon the ASCAP.

The NAB Copyright Committee will meet in New York again next Wednesday to consider means of setting up the copyright music source. A similar undertaking was attempted several years ago and an independent music bureau was set up, but the project never proved successful and the material later was sold.

As the present ASCAP contracts with radio stations do not expire until December 31, 1940, no crisis is at hand, and the broadcasters and copyright owners have a year and a quarter to shadow box before a new contract is drawn up.

The NAB wants a uniform contract calling for clearance of the copyright fees at the source, with royalties to be paid only on programs using ASCAP music. Under the present contract the stations pay 5 percent of net receipts to ASCAP.

Explaining that the broadcasters now pay the Society about $4,000,000 annually and the figure is rapidly rising, Mr. Miller told New York newspaper men that the broadcasters had paid the Society about $20,000,000 for the right to use its music in the past six years. He added that while the broadcasters expect to continue to pay substantial sums for the use of music, he believed they could no longer remain so largely dependent upon a single source.

The main objectives of the broadcasters, he said, are:

To defend themselves against the Society's requirement that they pay percentage-wise on all programs regardless of whether or not they use ASCAP music.

To reduce the Society's toll of $4,000,000 a year.

To bring about a more equitable distribution of the charges among the broadcasters themselves.

To foster, encourage and promote the writing of new music and lyrics by giving opportunities to be heard to new composers and authors.

To arm themselves with such supplies of, or access to, music to enable them to conduct future negotiations with the Society on terms of some equality.

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FLY CONFIRMED WITHOUT DEBATE BY SENATE

The nomination of James Lawrence Fly as a member of the Federal Communications Commission was confirmed by the Senate late Tuesday. His designation as Chairman by President Roosevelt is expected before he takes office on September 1st.

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CARRIER POWER OF G.E. S-W STATIONS DOUBLED

Equipment, which will have the effect of doubling the carrier power of General Electric's short-wave stations W2XAD and W2XAF, Schenectady, as well as result in a more faithful reproduction of programs, is now in operation, it has been announced by C. H. Lang, manager of broadcasting.

The increased carrier power effect is brought about by the use of equipment, known as peak limiting amplifiers, which allows the two stations to transmit their programs at a higher power level.

The use of the new line equalizers between the studios of the stations and the transmitter, which is located at South Schenectady, will result in the listener receiving programs superior in quality to those previously received, by extending the upper limit of the audio range of the program from 5,000 to 8,000 cycles. To the listener this will mean that the high pitched notes of the human voice and of musical instruments will be as distinct as those of the lower register, by allowing the transmission of the overtones of speech and music, giving a more natural quality to the programs.

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LOGAN BILL GOES OVER UNTIL NEXT YEAR

Senate Leader Barkley this week said that the Logan Bill to restrict the administrative freedom of scores of Federal agencies, recently passed by the Senate, would be shelved for this session.

Senator Barkley told reporters he had obtained an agreement with proponents of the measure, including Senator Logan (D.), of Kentucky, its author, to defer further action until next year.

The day after the Senate approved the Bill, Senator Minton, (D.), of Indiana, filed a motion to reconsider, protesting that it had gone through by unanimous consent when he was out of the chamber.

The Senate agreed unanimously to his motion, thus automatically blocking House consideration and causing the bill to go over to next session.

Under the bill, regulations and court appeals from bureaus such as the Federal Communications Commission, Interstate Commerce Commission, Federal Trade Commission, Wage and Hour Administration, National Labor Board and others would be standardized.

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BAIRD DEMONSTRATES TELEVISION IN COLOR

The first demonstration ever to be given of television in natural colors was held in the experimental laboratories of the Baird Television Corporation at Sydenham, England, before an invited audience of the daily and technical press, according to I. C. Javal, Commercial Director of the company in New York.

The cable stated that a color photograph of King George was received on a large screen in full color and perfect definition. Press comments following the demonstration were enthusiastic. The London Times said: "King George's photograph televised in natural colors by cathode tube for the first time putting the Baird system in the forefront of world television." The Morning Telegraph commented: "Greatest progress since pictures have been transmitted through the ether."

John L. Baird has been conducting experiments in natural colors for the past year. Some months ago he predicted that this next step in television would be available to the public sooner than at first anticipated.

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RADIO CALLED "ENEMY OF CORRECT SPEECH"

New South Wales school inspectors blame the influence of radio serials for the deliberate dropping of "h's" and "g's" by many school-children.

"An insidious enemy of correct speech", the inspectors say, "is the alleged Australian speech of some of the radio serials. It is not uncommon to hear children in the playground purposely dropping the aspirates and carefully avoiding the final 'g' in such words as 'coming' and 'going'. The effect of this potential educational agency - wireless - is directly responsible for more bad speech than even the pictures." Wide reading is advocated as a corrective.

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## FLY AND McNINCH CONFER WITH ROOSEVELT

James L. Fly and Frank R. McNinch conferred with President Roosevelt at the White House Thursday after Federal Communications Commission matters shortly after Mr. Fly had been confirmed as a member of the FCC by the Senate.

While the details of the parley were not divulged, it is expected that Mr. Fly will attempt to put over the "house cleaning" that Mr. McNinch failed to accomplish.

Mr. McNinch told newspapermen upon leaving the conference that the FCC chain-monopoly report will not be completed for six months.

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## ELLIOTT ROOSEVELT'S RADIO TALKS HIT IN HOUSE

The radio commentaries of Elliott Roosevelt, son of the President, were denounced on the House floor this week by Representative Shafer (R.), of Michigan, before inserting in the appendix of the Record an editorial from the Detroit Free Press.

"Were it not for the prestige of his father, few people would be aware of the existence of Elliott Roosevelt, and his radio mouthings would attract no more attention than a ham sandwich at a family picnic", he said.

"But because his father is President of the United States, son Elliott has suddenly discovered his place in the sun and has blossomed out as No. 2 critic of the Seventy-sixth Congress. His blatherings, which ordinarily would be consigned to the wastebaskets of most radio stations, are broadcast over a self-controlled network of the Southwest, and New Deal press agents, whose salaries are paid by the taxpayers of the United States, are now making his broadcasts big news.

"Son Elliott's recent tirade, in which he declared Congress may have 'outlived its usefulness', definitely marked him a New Deal propagandist of the first order. The Detroit Free Press, in an editorial headed 'Question of Usefulness', expresses the reaction of many to son Elliott's sad attempt to criticize the Seventy-sixth Congress."

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SENATOR JOHNSON DEFENDS PROPOSED LIQUOR BAN

A spirited defense of his bill to prohibit radio advertising of liquor was made on the Senate floor this week by Senator Johnson (D.), of Colorado. While admitting that the legislation could not be passed at this session, Senator Johnson said he wanted to answer statements that the bill was sponsored by Senator Johnson (D.), of Colorado. While admitting that the legislation could not be passed at this session, Senator Johnson said he wanted to answer statements that the bill was sponsored by fanatics.

The Colorado Senator said the purpose of the measure is to protect the American home against the intrusion of liquor salesmen. He cited the intimacy of the radio, the fact that children listen to programs, and the public investment in radio sets.

He quoted statements from retiring Chairman Frank R. McNinch, who, he said, "is certainly not a professional reformer", Herbert Hoover, W. S. Alexander, Administrator of the Federal Alcohol Administration and others.

The NAB has placed liquor advertising on the list of outlawed radio trade practices under its code.

"The radio renders a private service and it renders a public service", he said. "The private service is rendered to its commercial customers, for which it is paid; the public service is rendered to the listening public, for which it is not paid. The radio is a public utility and, while advertising is incidental and necessary under our system to its operation, the real purpose for which the radio has been licensed by the Congress is service to the public and not service to the advertisers. Broadcasting stations are not given the privilege of a monopolized opportunity to occupy certain wave lengths by the Congress for the private benefit of radio advertisers. Even though the advertisers support the radio, the public interest which manifestly is not in advertising remains paramount.. . . . .

"Congress in its wisdom has delegated broad powers to the Communications Commission, but Congress has relinquished none of its prerogatives over policies of radio utterances. It has already prohibited by law the utterance of any obscene, indecent, or profane language by means of radio communication, and it should obviously add liquor advertising to this very short list of banned subjects.

"Congress must recognize that liberty of expression is one of man's most precious heritages, but Congress must also remember that the exercise of free speech has never meant and never can mean 'the unrestricted right to say what one pleases at all times and under al l circumstances.' There must be moderation

and common sense in the exercise of free speech, otherwise a great human blessing eventually deteriorates into a positive oppression. Unwholesome advertising poured out from radio stations to be received in the privacy of the various homes of this land becomes the instrument of injury to unprotected children if care is not manifested. When the spoken word does that it destroys by its very nature the social principles involved in the guarantee of free speech. There is a freedom of listening which is just as important as the freedom of speaking, for the listener to such a public utility, as the radio has just as much right to the consideration of Congress as has the speaker.

"S. 517 is not in any sense fanatical legislation. It has nothing whatever to do with the eighteenth amendment or with a return to prohibition. Its only purpose is to protect the American home against offensive and unwholesome liquor advertising. That home has petitioned Congress to bar the invisible but attractive vocal liquor salesman from entry into its sacred inner chamber. I am standing on this floor advocating the adoption of S. 517 because 379,000 parents living in every State in the Union have been so outraged that they have asked Congress to protect them and to guard them against the violation of their firesides by the unscrupulous voice of this unwelcome invader. The Constitution has as much to say about the sanctity of the home as it does about freedom of speech. It does not permit a police officer, for instance, to enter that privileged sanctum without a warrant, yet the impudent liquor salesman demands constitutional rights which have never existed to enter that home, violate its sanctity, and make repulsive sales talks to persons who do not want to listen."

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THREE NETWORKS REPORT GAINS FOR JULY

The three major broadcasting networks had substantial increases over 1938 in billings in July, it was disclosed this week.

The Columbia Broadcasting System was ahead by 69.1 percent, the National Broadcasting Company by 11.0 percent, and the Mutual Broadcasting System by 29.6 percent. Columbia billings were $2,311,953, compared with $1,367,357 a year before. Total for seven months was $19,264,926, compared with $16,949,912 in 1938, a gain of 13.7 percent. The number of stations on August 1 was 116, unchanged from 1938.

NBC billings in July were $3,283,555, compared with $2,958,710 a year before. For seven months the total was $25,882,492, compared with $23,982,384 in 1938, a gain of 7.9 percent. The chain had 171 stations on August 1 against 153 a year before.

Mutual billings in July were $216,583, compared with $167,108 in July, 1938. This was the fifteenth consecutive month in which Mutual billings gained over the year before. For seven months billings were $1,840,819, compared with $1,509,287 for the corresponding 1938 period, an increase of 21.9 percent.

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## TRADE NOTES

Arthur Radkey, of the WLW Educational Department, was this week appointed instructor in Radio Continuity Writing at the Evening College of the University of Cincinnati. The course will be new to the University curriculum.

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Eddie Cantor was named defendant this week in Hollywood in a $751,000 personal injury suit filed by a couple who alleged they were called Nazis and beaten up after a radio broadcast. Charles Gollob and his wife, Elsie, filed the action against Cantor, Bert Gordon, also known as the "Mad Russian", the Reynolds Tobacco Co., and the Columbia Broadcasting Co. The Gollobs alleged that when they left the Hollywood broadcasting theater of the radio chain, March 27, they were called Nazis, that a man, alleged to be Gordon, struck Gollob with a blackjack, and that Mrs. Gollob was struck in the face and knocked down.

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Keeping pace with world affairs and responding to preferences evinced by listeners, the Columbia Broadcasting System considerably expanded its programs on international and foreign affairs and education in the first six months of 1939, as compared with the same period in 1938. A survey of network programs reveals increases in the time devoted to adult education, religion, international and foreign affairs, agriculture, news and drama.

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Harry W. Conn, formerly a gag-writer for Jack Benny, filed suit for $65,500 against the comedian in Los Angeles this week charging breach of contract. Conn declared he entered an agreement with Benny to write gags for thirty-nine weeks in exchange for 5 percent of the comedian's earnings during the time he used them. But whereas Benny has made $1,170,000 from radio programs and $140,000 from film work, using the Conn japeries the while, the writer asserted, he has received nothing.

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## MacLAREN, NEW ZENITH PRODUCTION MANAGER

George I. MacLaren has been appointed Production Manager of Manufacturing Operations of the Zenith Radio Corp., Chicago, according to Commander E. F. McDonald, Jr., President.

"This important addition to our staff, one of a number announced during the present year, is made necessary by our continuous increase in sales and the consequent need for expanded manufacturing operations", Commander McDonald said.

"Mr. MacLaren has had 14 years of intensive experience as Production Manager in full charge of manufacturing operations of the Atwater Kent Manufacturing Company of Philadelphia, followed by a term as Factory Manager in charge of production activities with the RCA Manufacturing Company, Camden, N. J.

"Well and favorably known in the radio industry, Mr. MacLaren brings to his new responsibility an unusually well-rounded experience in the manufacture of all types of radio apparatus, including tube and microphone manufacture as well as that of receivers and transmitters."

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## CONTRACT LET FOR WJSV 50 KW TRANSMITTER

Contracts for construction of a new transmitter in Wheaton, Md., for Station WJSV, Washington outlet, of the Columbia Broadcasting System, have been awarded, and construction has begun, according to A. D. Willard, General Manager of the station.

The George Martin Construction Company of Washington will build the transmitter building, of modern functional design, at a cost of $53,600. Three guyed towers, each 340 feet high, will be erected for $33,657 by the Blaw-Knox Company of Pittsburgh. It is expected construction will be completed in approximately 90 days.

The power of WJSV is to be stepped up from 10,000 to 50,000 watts when it abandons its present transmitter on the Mount Vernon Boulevard near Alexandria, Virginia.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF AUGUST 8, 1939




No. 1147

August 8, 1939.

FIREWORKS MARK FCC HEARING GREAT LAKES SCRAP

Charges and counter charges of attempts to obtain a monopoly of the radiotelephone business on the Great Lakes are being studied by an Examiner of the Federal Communications Commission pending the resumption of a hearing on August 16.

Lawyers in the case, centering about the rates of the Lorain County Telephone Company and the Lorain County Radio Corporation, almost came to blows before the hearing recessed because of a statement by a Lorain official that the Radiomarine Corporation of America tried to buy out the Lorain properties.

The Lorain companies, which are owned and operated by the same persons, now have a lion's share of radiotelephone business on the Great Lakes, partly because of their ability to furnish both equipment and service to ship owners. The Radiomarine Corporation has joined with the Donnelley Radio Telephone Company, which has a station at Lake Bluff, Ill., in asking that the Lorain outfit be denied the right to tie up a service charge with radiotelephone rates.

Thorne Donnelley, President of the Illinois Company, told Examiner Robert L. Irwin that his concern is unable to compete successfully with the Lorain corporation because of the $25-a-month service charge. Mr. Donnelley said he is willing to drop the service charge and thinks Lorain should be compelled to do so.

If Lorain is permitted to continue to service charge, he testified, it will constitute an "economic boycott" of the Donnelley station.

Frank W. Wozencraft, counsel for RCA, had several verbal clashes with attorneys for Lorain over a statement made by Herman E. Hageman, President and General Manager of the Lorain companies. Mr. Hageman said that Alfred James Wills, former commercial representative of the Radiomarine Corporation in Cleveland, had approached him with an offer to buy the Lorain properties upon behalf of RCA for $56,000 in 1937. He said that Mr. Wills had advised him to accept the offer because RCA is "Very powerful" and "influential with the Federal Communications Commission".

Mr. Wozencraft hotly denied the story and later produced Mr. Wills to make the denial personally. The RCA attorney pointed out that Charles J. Pannill, President of the Radiomarine, had denied the story shortly after it was alleged to have occurred. He accused Mr. Hageman of repeating it merely because he was angry with RCA for entering the case.

Mr. Wills did admit, however, that he had suggested, entirely on his own initiative, that Lorain and RCA might "unite their forces in a good will effort to serve the ship owners." He left the services of Radiomarine as of July 31, he said, entirely of his own free will although Lorain attorneys inferred by cross-examination that he had been dismissed because of this "offer".

Lewis P. Gilmer, Vice President and General Manager of the Donnelley corporation, subsequently testified that Mr. Hageman had offered to take over the operation of the Lake Bluff station and to split the profits with the Donnelley company after he had learned that the latter was going to participate in the Lorain rate case before the FCC.

Earlier in the hearing, Mr. Hageman testified that Lorain had equipped 82 ships in the Great Lakes with its radio telephones and had handled 18,699 calls in 1938.

Ship owners contributed $100,000 to the capital fund of the companies at the beginning, he admitted, and were reimbursed by the placement of radio equipment aboard their ships.

The name of Commander Eugene F. McDonald, Jr., President of Zenith Radio Corporation, Chicago, was brought into the hearing several times by Mr. Gilmer. The witness first called attention to his ownership of the yacht "Mizpah" and his use of radiotelephone services and spoke of his courage in running the craft in the Great Lakes even when the ice of winter endangered travel.

A telegram from Commander McDonald stating that he preferred to pay for radiotelephone messages on a straight basis without service charges as is the practice along the Atlantic coast was read into the record by the attorney for Donnelley.

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## N. Y. DEPARTMENT STORES ASK FOR TELEVISION PERMITS

The first attempt to utilize television for practical merchandising will be made by two New York department stores, Abraham & Straus, Inc., and Bloomingdale Bros., Inc., if the Federal Communications Commission grants an application they filed in Washington last week.

The application for thelicense was filed by Metropolitan Television, Inc., a subsidiary of the two stores, especially organized for the transmission of television programs.

Ira A. Hirschmann, Vice President of Bloomingdale's, said plans now are under way to establish the transmitting facilities of the new television company at one of the large hotels in the up-town Manhattan area, "near our store". He said he will go to England to study the television methods of the British Broadcasting Corp. while this is being done.

While in London, he will spend some time with Gordon Selfridge, Jr., of Selfridge's Department Store, which is the first European store to conduct successful television experiments.

With their newly created subsidiary, Metropolitan Television, Inc., Abraham & Straus and Bloomingdale's plan to carry on a comprehensive program in television experiments, Mr. Hirschmann stated. He said the stores now are working on another plan with which "we hope to promote the sale of television sets at lower prices than today." However, he declined to develop this theme.

Commenting on television's role in merchandising, the department store executive described it as "a dramatic new supplement to our present media of advertising and publicity." He continued:

"Television will never replace advertising, but will go hand in hand with newspaper and radio merchandise advertising. Rather than acting as a threat to national and retail media it offers a fresh new field for the sale of goods and ideas. Merchandise, in short, becomes visual as well as vocal."

Mr. Hirschmann said "a modern and well equipped television broadcasting station costs anywhere from $100,000 up," although he declined to be quoted on what the newly formed television corporation would expend in this direction. "If our license is granted," he added, "we plan to introduce the most modern equipment available."

It is the company's intention to study and formulate techniques for the sale of goods, particularly stores, Mr. Hirschmann said. "We are experimenting at present with 'movie' shorts which will be the phonograph records of television for repetitive use and economical programming. Motion picture companies and newspapers will welcome television rather than oppose it, for here is a major field for exploitation in their respective fields."

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NAB AND ASCAP WAGING BATTLE OF STATEMENTS

With copyright negotiations again broken off, the National Association of Broadcasters and the American Society of Authors, Composers, and Publishers this week were waging a battle of words with formal statements fulfilling the role of weapons!

Neville Miller, President of NAB and Chairman of the Special Copyright Committee, struck the first blow immediately following a conference with ASCAP officials in New York last week. (See previous letter).

Gene Buck, President of ASCAP, replied quickly that the copyright owners "welcome the fight" with the organized broadcasters." And then Mr. Miller let loose another blast at ASCAP!

"The NAB signed an agreement with the American Society for a period of five years, but the ink was no more than dry on the agreement three and a haof years ago than they started a campaign to control or to break up ASCAP," said Mr. Buck.

"Failing to change the Copyright Act and after their failure in using the courts, they then introduced a new technique throughout the Nation in the States to gain their selfish interests.

"This having failed, with the possible exception of the States of Washington, Montana and Floride, they now announce that they are going to start something to deprive the authors and composers of the Nation of some compensation for the use of the creations of their brains. * * *

"Since broadcasting was invented the broadcasters have indulged in the fantastic idea that the men and women who create the music of the Nation and the world should furnish the products of their brains to this vast and powerful industry gratis. * * *

It is a sad state of affairs when these gentlemen, who sell commercial time to the amount of $118,000,000 annually and will pay artists and performers and interpreters of music as much as $15,000 for a single performance, cry and whimper because they have to pay the composers and authors of the Nation about $3,500,000 a year, which makes their entire operation possible."

In answer to this statement Mr. Miller replied:

"Let's stick to the facts.

"Broadcasters are ready and willing to pay a fair and reasonable price for the use of ASCAP music. At present, ASCAP's total annual revenue amounts to approximately $6,000,000, of which $4,000,000 -- or two-thirds --is derived from radio stations. In the past six years alone, the broadcasters have paid ASCAP over $20,000,000.

"With few exceptions, radio stations pay ASCAP five per cent on their total gross receipts, paying on revenues derived from the sponsorship of dramatic shows, news broadcasts, sports broadcasts and many other broadcasts where not one note of ASCAP music is played; and also on programs which contain music but which is not ASCAP music. The present contracts expire December 31, 1940.

"We have informed ASCAP that we are willing to pay when we use ASCAP music but that we are not willing to continue to pay on programs which do not use ASCAP music. As their largest customer, we have asked them to set the price, and ASCAP has refused to do so. This is the heart of the present problem.

"Since last March, we have tried unsuccessfully to secure from the Society some expression as to the terms upon which it would be willing to renew the contracts. We do not propose to let matters drift on until December 31, 1940 and then, at the eleventh hour, be

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"The SAC signed a contract with the American Society [illegible] a period of five years, but the ink was [illegible] agreement there was a brief year ago when [illegible] ion to notify or to break up Axis, [illegible]

"Failing to obtain the support and [illegible] ilure in using the service, everyone [illegible] ment the Nation in the [illegible] to [illegible]

"This letter failed, with the [illegible] bes of Washington, Hollywood and Florida [illegible] y are going to start working to [illegible] ters of the Nation [illegible] ations of Axis [illegible] * *

"Some [illegible] dulged in the [illegible] e music of the [illegible] their [illegible]

It is [illegible] monetary [illegible] y artists and [illegible] 5,000 for a single [illegible] by the [illegible] ", which [illegible]

In [illegible] to this statement Mr. Miller [illegible]:

"Let's [illegible] the [illegible]

"[illegible] reasonable price for the use of ASCAP music. [illegible] tal annual revenue amounts [illegible] ich $4,000,000 [illegible] the past six years alone, [illegible] 0,000,000.

"With few exceptions, radio stations [illegible] on their total [illegible] e percentage of [illegible] ate the same [illegible] players and also [illegible] s ASCAP music. [illegible]

"We have informed ASCAP that we are willing to pay [illegible] ed ASCAP music but that we are not willing to [illegible] programs which do not use ASCAP music. We have [illegible] have asked them to sit in the [illegible] is the heart of the present problem.

"When last [illegible] have [illegible] the society [illegible] utilities, [illegible] ist on until [illegible]

forced into an unfair and inequitable contract, compelled to meet any terms which ASCAP's present monopolistic control may dictate. The radio industry can no longer have its economic stability threatened by dependence upon one source of music, especially when that source is a copyright pool and monopoly. We propose to develop other sources of music, to encourage new composers and authors who find their creative genius stifled by the ASCAP nonopoly; who are now unable to have their music published profitably and who find it practically impossible to have it performed.

"Through these means, we hope to build up an impressive reservoir of fresh new music, to make fair and equitable contracts with authors, composers and publishers which will enable us to carry on in event we are unable to meet the unknown demands ASCAP may make.

"We believe this development will uncover a wealth of new talent in the United States, and will bring to the American public an abundance of enjoyable new music."

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SENATOR BRIDGES URGES WOMAN FOR FCC

Senator H. Styles Bridges (R.), of New Hampshire, has proposed to President Roosevelt that a woman be appointed to membership on the Federal Communications Commission and has included among several nominees, Publisher Eleanor M. Patterson, of the Washington Times-Herald, Columnist Dorothy Thompson, New York Herald Tribune; and Mrs. Eleanor Roosevelt, wife of the President and author of a newspaper column, "My Day".

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CBS SEMI-ANNUAL PROFIT ABOVE 1938

Columbia Broadcasting System, Inc., and Subsidiaries, report for the twenty-six weeks to July 2: Net profit of $2,771,892, equal to $1.62 each on the 1,708,723 shares of $2.50 par value stock either outstanding on July 1, this year, or to be outstanding upon completion of the exchange of the old $5 par value stock, compared with a net profit of $2,578,192, or $1.51 a share in the corresponding twenty-six weeks last year.

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# WIDE USE OF FREQUENCY MODULATION FORECAST

A new type "frequency modulated" radio broadcasts will be filling the air in the major markets in this country within the next year, Dr. W. R. G. Baker, head of General Electric's radio and television division, predicted in speaking recently before a delegation of college and university professors.

Dr. Baker explained that frequency modulation is one of the latest and most promising developments in the field of radio, and makes possible for the first time practically static-free reception with a high fidelity that has hitherto been unattainable with the presently used "amplitude modulated" radio system.

"Two frequency modulated transmitters are already operating," Baker said. "One is in Boston and another is in New York city. A third will be placed in operation here in Schenectady by early fall."

Present receivers will not be able to pick up frequency modulated broadcasts, and it will not be possible to change them so they can," he said. "The public need not fear that present day radios will be obsoleted immediately, however," he continued. "Amplitude modulated programs will continue to be broadcast for some time to come. Frequency modulation will be sold to the public at the outset as another band on a new receiver which will pick up both type broadcasts."

The frequency modulated system employs the use of ultra short radio waves, and the signals broadcast travel only slightly beyond the distance of the horizon, according to Dr. Baker's explanation. This characteristic is said to be the open sesame for an almost unlimited number of broadcasting channels with plenty of room for nationwide chains and local stations galore.

Dr. Baker stated that frequency modulated transmitters could be built for approximately one fourth the cost of the usual station, and that with the possibility of overcrowding the airwaves removed, many new broadcasters should crop up.

In describing the difference between the regular, or the amplitude system, and the new frequency modulated system, Dr. Baker explained that in the newer method the characteristics of the broadcast waves differ from the static, and as a result the frequency moculated receiver picks up the broadcast almost completely stripped of static.

In tests conducted earlier this year for a group of experts including four from the Federal Communications Commission and three from the Interdepartmental Radio Advisory Committee, General Electric radio officials showed that 96 percent of existing static, both atmospheric and man-made is eliminated from programs broadcast under the frequency modulated system.

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SENATOR ELOQUENT IN PRAISE OF "CHATTERBOX"

Senator Johnson (D.), of Colorado, waxed eloquent in a dissertation on radio in the Senate last week.

"The most intimate and important inanimate object in our home is a little piece of more or less unornamental furniture which we affectionately call the chatterbox, for it brings to us the chatter of the entire world", he said. "The first member to arise in the morning turns it on and the last to retire turns it off. It entertains with a program varied from the sublime to the ridiculous; it caters from early to late to the spiritual, the esthetic, and the fleeting fancies and moods of each member of the family. It so handles current news that we need only listen to the highlights to have constantly before us a picture of what is transpiring in the world. Sporting events and important ceremonies in far-away places are presented blow by blow so realistically and in such masterful manner that we prefer to stay at home rather than undergo the inconvenience and discomfort incidental to being actual eye witnesses. Over this unique contrivance the statesmen of the world gather with us around our fireside and discuss the issues which rock the universe.

"How fascinating to hear in our humble living room the natural voices of our beloved President, Mr. Roosevelt; the Premier who made the bad bargain at Munich, Mr. Chamberlain; the vociferous Il Duce, Benito Mussolini; and the great 'I am' Der Feuhrer Hitler, each in character depicting his part in the tragic drama of current history. Truly, the radio has added much to our home. Delightfully entertaining and pleasantly instructing, the radio has become a most essential part of our family life; and we would rather go without necessities than part with its magic."

He was speaking in support of his bill to bar liquor advertising from the air.

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Next week Editor & Publisher will present the first of two articles analyzing the possible effect of television upon newspaper advertising; the present status of television as regards possible number of stations, licenses issued or applied for; reception area; future cost of receiving sets, etc. In addition, the articles will tell the probable cost of equipping a 1 KW television station, yearly cost of operation, and probable sale price per hour of television time.

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## TRADE NOTES

"Principles and Practices of Network Broadcasting," consisting of the testimony of David Sarnoff, President of RCA, at the opening of the FCC chain-monopoly inquiry last fall has been published in pamphlet form and is being distributed by the publicity division of RCA.

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Sparks-Withington Company and its Subsidiary report for the year to June 30--a net loss of $232,547, compared with a net loss of $60,581 in the year to June 30, 1938.

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The use of U. S. forest service two-way radiophone for the first time in western newspaper history brought a scoop to the Ogden (Utah) Standard Examiner and a feather in the cap of Louis A. Skaggs, ingenious staff reporter, who scored a page one hit with a national convention coverage one day ahead of the other papers. Skaggs, 45 miles away from the city atop Monte Cristo, high in the Wasatch range of the Rockies, read his story by radiophone to a rewrite man, who rushed the copy to the editorial office and composing rooms to make the early editions of the paper.

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Fred Adelmann, also known as Frank Adelmann, trading as Vit-O-Net Company, Vit-O-Net Corporation and Electric Blanket Company, 1716 South Michigan Ave , Chicago, has been ordered by the Federal Trade Commission to discontinue misleading representations in the sale and distribution of "Vit-O-Net", described as an electrical blanket device for treating diseases. Under the order, the respondent is to cease representing that "Vit-O-Net", or any similar device, sets up a radio-magnetic energy which is transmitted to the patient thus causing an increased activity and retitalizing of the organs and cells of the body and a charging of the blood stream with electromagnetic energy with beneficial results.

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Rules and regulations covering radio aviation service have been amended as of August 1, by the Federal Communications Commission. The amended rules, among other things, remove the "day only" restriction applying to 6210 kilocycles. Where this frequency has been authorized it may now be used in accordance with the amended rules, without regard to the restriction concerning it which appears on outstanding licenses. The "day only" restriction will be removed from such licenses at the time of the renewal, or issuance of other instruments of authorization.

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## WOR ASKS FCC PERMIT FOR TELEVISION STATION

In the interests of an extensive program of research and experimentation, Station WOR, Newark, announced this week that it has applied for permission to construct a television station in the heart of New York City. The project, according to Alfred J. McCosker, President of WOR, will be closely linked with a campaign of experimentation in new television program technique and engineering advancement.

The application, filed with the Federal Communications Commission at Washington, calls for a 1000-watt transmitter operating in the 84 to 90 megacycle band and located atop a skyscraper in midtown New York. It will service the entire Metropolitan area.

The proposed policies of the new station will emphasize educational telecasts and special features covering spot news, political and sporting events with the same timeliness as WOR has displayed in its sound broadcasts.

Both live programs and motion pictures will be aired from the new television installation. A study of improved studio methods is already under way. The new station, although it will be licensed on an experimental basis for unlimited time, expects to offer visual programs daily, the number of hours being dependent on the increase within its service area of installed receivers.

Cooperation in the educational aspects of the venture has been assured by a number of important educational institutions in New York State and New Jersey.

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## RCA'S OPERATING EXPENSES RISE SHARPLY

David Sarnoff, President of the Radio Corporation of America, announced this week that the corporation had a net income of $724,091 in the second quarter of this year, after all expenses and charges. This result fell short by $81,197 in covering preferred dividend requirements for the quarter, and compared with a net income of $1,086,955, equivalent to 2 cents a share on the common stock, after full preferred dividend charges, in the June quarter of 1938.

For the first six months of this year Radio's net income amounted to $2,172,201, equivalent to 4 cents each on the common shares, after preferred dividend requirements, compared with $2,524,756, or 6 cents a share on the common stock, in the first half of last year. Gross income for the six months amounted to $48,290,112, against $45,254,304 in the corresponding period a year ago.

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# PAYNE PRAISED IN CATHOLIC MAGAZINE INTERVIEW

Commissioner George Henry Payne, who has been strangely out of the news of recent months, is the subject of an interview in The Sign, a Catholic magazine, June issue, by Kathleen C. Bennett. After a preliminary summary of the events leading up to the introduction in Congress of the Wheeler-McNinch three-man-Commission bill, Miss Bennett relates an interview with Commissioner Payne.

"In spite of reassurances, I was prepared, from what I had read, to meet a bristling reformer who would pour out a flood of denunciation", she said, "not only of radio but of the entire cosmos - and who would probably (after the unpleasant manner of reformers generally) end by trying to reform me.

"But it was no bristling reformer who came forward courteously to greet me. It was a gentleman who possessed more of that generally abused word 'charm', than anyone encountered in years. Two main characteristics were soon evident; abundant energy, and far more than an average zest for life.

"Suave and tactful in manner, when a principle is at stake, he can be a tornado of scathing satire. Not all of those who have come to know him as the FCC's Progressive Reformer know him also as the author of a scholarly book on children,'The Child in Human Progress'. Nor as the author of the most important history of journalism of our time.

"Not a Catholic, it has frequently been said that he expresses the Catholic philosophy in spiritual matters as they affect radio. With Skipper McNinch he has certainly not seen eye to eye; but he and Commissioner T. A. M. Craven have battled side by side for constructive reforms; and Commissioner Norman Case, from Rhode Island, has not infrequently voted with them.

"There is no doubt that reform-resisting elements have not ceased to pull political wires; that the troubles between the FCC and the radio industry have long bothered the President. But the heart of the mystery of the scuttling of the FCC would seem to be Skipper McNinch's antipathy to the aggressive and progressive reformer from New York.

"With Hugh Johnson, thoughtful elements see danger in the brig which Senator Wheeler has offered as substitute, with its crew of three to replace that of seven. They believe that there is less threat of centralization in the larger crew; that it is more democratic; that a variety of opinion is healthier, more representative; and that discussion, argument and even dissension are not unwholesome things in this important regulatory body.

"One thing is certain; as long as Commissioner Payne remains a member of the FCC's crew, there will not only be color but courage in dealing with communications."

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# FAINT PRAISES OF CATHOLIC MAGAZINE INTERVIEW

Commissioner George Henry Payne, who has been strangely [illegible] of the news of recent months, is the subject of an interview [illegible] The Sign, a Catholic magazine, June issue, by [illegible]. After a preliminary résumé of the events leading to the introduction in Congress of the [illegible] communication bill, Miss [illegible] publishes an interview with Commissioner [illegible].

"In spite of remonstrances, I [illegible], then what I [illegible] read, to make a brilliant reference [illegible] denunciation", she said. "[illegible] and one would probably [illegible] generally) end by trying to reform one.

"But it was no [illegible] [illegible] in great [illegible]. It [illegible] that generally [illegible] [illegible]. The [illegible] were more evidently [illegible] far more than an [illegible] for life.

"Sought and [illegible], [illegible] a [illegible] of [illegible] [illegible] have come to know him as the FCC's [illegible] also as the author of a [illegible] book [illegible] Common Progress', [illegible] as the [illegible] journalism of our time.

"Not a Catholic, [illegible] said that he [illegible] the Catholic [illegible] radio. [illegible] eye; [illegible] side for [illegible], [illegible] Commissioner [illegible] has not [illegible] with them.

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"With [illegible] [illegible] of them to realize that [illegible]. They believe that there [illegible] threat of [illegible] in the [illegible] democratic; that a [illegible] of [illegible] representation; and that [illegible] not [illegible] taken in this [illegible].

"One thing is certain; if [illegible] Commissioner Payne remains a member of the FCC's [illegible] will not only be [illegible] courage in dealing with communications."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF AUGUST 11, 1939



No. 1148

STANDARDS BUREAU OFFERS MONTHLY RADIO FORECASTS

Disclosure that the U. S. Bureau of Standards is offering a service of monthly predictions of ionosphere and radio conditions was made in the annual report of the Radio Section released this week.

"Sufficient experience had accumulated so that this year a service of ionosphere predictions was begun", Dr. J. H. Dellinger, Chief of the Radio Section, stated.

Predictions three months in advance, he explained, are made on the basis of current observations of the changes from month to month, together with knowledge from past years of seasonal changes.

The introduction of the term "radio sonde" was another innovation of the year, the report revealed. This name is now applied to the device formerly known by several names, including "radio meteorigraph".

"A radio sonde is an assemblage of meteorological and radio apparatus carried aloft on a small balloon for the purpose of obtaining information regarding atmospheric conditions", the report explained. "In the form developed by the Bureau for the Navy Department, it transmits to the ground indications of temperature, pressure, and humidity, by means of a varying modulation frequency in an ultra high carrier frequency. At the receiving station on the ground an automatic recorder continuously draws a graph showing the three elements as the radio sonde ascends and descends.

"During this year it was put into extensive use by the aerological services of the Navy Department, Weather Bureau, and Coast Guard. Thus, the Weather Bureau made daily routine use of the system at six stations throughout the country, to replace the daily soundings hitherto made by airplane flights. The Navy Department used it at one ground station and two shipboard stations, and the Coast Guard used it on two ships of the International Ice Patrol. Some 3000 radio soundings were made during the year in the regular course of collecting upper-air weather data. The great improvement in the regularity and range of the upper-air observations obtained from supplanting the airplane method of sounding led to plans for increased use of the radio sonde system; the Weather Bureau and the Navy planned to use it at many more stations than they ever used airplane observations.

"The Bureau cooperated with each of the agencies which started to use radio sondes, and with the manufacturer supplying them. In supervising the initial processes of producing and using the device, the Bureau developed a number of detailed improvements indicated to be required by service experience. Thus, a new seal for the capillary electrolytic thermometer was developed which eliminated difficulties encountered in early service use from polarization, change in electrical characteristics, and breakage. The relation of the electrical resistance of the capillary thermometer to the controlling resistors in the radio-sonde transmitter was altered to provide for increased accuracy of temperature indication, particularly at stratosphere temperatures. The accuracy of the frequency indicating and recording system was improved by adoption of a standardized method of calibration; a feature of this method is the flexibility provided for interchange of component units.

"The regularity of operation was found to be materially better than when using airplanes, since practically no interruption to service was experienced during adverse weather conditions which would preclude the possibility of airplane soundings. The average limit of height of soundings was about 11 miles instead of the 3 miles obtained in airplane soundings.

"The accuracy of the observations obtained was determined by extensive testing in cooperation with the Navy Department and the Weather Bureau, and was found to be of the same order as in airplane soundings. The accuracy of pressure observation is within 15 millibars. The accuracy of temperature is within one-half degree Centigrade. The estimated accuracy of the humidity observations (with the hair-type hygrometer at temperatures above 0°C) is within 10 percent relative humidity."

Outlining other activities of the Radio Section, Dr. Dellinger said:

"The processes of radio wave transmission were investigated, principally by continuous recording of radio wave intensities from distant radio stations and by observations on radio echoes from the ionosphere. This work supplied useful information on a number of practical problems such as: selection of radio frequencies for transmission over specified distances at various times of day and year; determination of received intensities and limit of usable frequencies for various distances, times, and locations of transmission path; means of carrying on radio communication at times when radio conditions are irregular because of disturbances radiated from the sun or other causes.

The results of the Bureau's radio wave research were extensively utilized by others, e.g., by the Interdepartment Radio Advisory Committee in its work of assigning frequencies to Government radio stations, and by the Government committees preparing for the next meeting of the International Radio Consulting Committee.

"The regular broadcasting of standard frequencies was carried on throughout the year and its high reliability and accuracy were further improved. Modulators of higher output were installed, and frequency multiplying and monitoring devices were made more positive and automatic. The primary standard of frequency was improved by the addition of oscillators of greater constancy."

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## CALL LETTERS OF INTERNATIONAL STATIONS CHANGED

By order of the Federal Communications Commission the call letters of all United States international short-wave stations are being changed to conform with the FCC order removing the experimental limitation.

The letter "X" has designated the stations as experimental, heretofore, so that the new call letters have dropped this identification.

FCC officials are waiting for the stations to select their own new call letters before announcing a complete new listing. However, those that have been changed are Columbia's W3XAU to WCAI and General Electric's W2XAF and W2XAD to WGEO and WGEA, respectively. G.E.'s San Francisco station's identification is changed from W6XBE to KGEI.

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## NORWAY ADOPTS LAW RE AERIALS

The new law on leases recently passed by the Norwegian Parliament lays down the following provisions covering the erection of aerials:

"The tenant must not install an aerial on the premises or make such alterations in the dwelling or the room occupied as would involve removal of flooring or stoves or similar objects, without the landlord's consent.

"Should the landlord, without justification, refuse consent to the installation of an aerial or to a necessary alteration of the kind referred to above, the Building Council, upon receipt of a complaint from the tenant, may authorize the alteration. If no Building Council has been instituted the complaint will be referred to the Committee of Conciliation for decision.

"The application of the conditions in the preceding paragraph cannot be waived by agreement."

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FCC HOLDS RECESS MEETING; COMMISSIONERS DEPART

The Federal Communications Commission, in Summer recess, held a special meeting this week to act on emergency cases before two Commissioners, George Henry Payne and Paul A. Walker, left Washington for the West Coast on FCC business.

Three new stations were approved. Construction permits were granted to the Hiawathaland Broadcasting Co., Sault Ste.Marie, Mich., to operate on 1200 kc., 100 watts night, 250 watts daytime, unlimited time, and the Yuma Broadcasting Co., Yuma, Ariz., for 1210 kc., 100-250 watts, unlimited time.

Proposed findings of facts and conclusions proposing to grant the application of WJMS, Inc., Ashland, Wis., to construct a new station to operate on 1370 kc. with 100 watts power, unlimited time were announced.

Among other action taken was the following:

Maj. Edwin H. Armstrong, of New York, was granted a construction permit for a new special high frequency relay broadcast station to use 133030, 134850, 136810, and 138630 kc. with 50 watts power.

The application of Mariannina C. Iraci, transferor, and Arde Bulove, transferee, for consent to transfer control of William Penn Broadcasting Co., licensee of WPEN, Philadelphia, was granted. Station WPEN operates on 920 kc., with 1 KW power, unlimited time.

The Travelers Broadcasting Service Corp., Hartford, Conn., was given a construction permit for a new high frequency broadcasting station to operate on 43200 kc., experimentally, with 1 KW power, unlimited time.

WOKO, Inc., Albany, was granted a permit to build a new facsimile broadcast station to operate on 25050 kc., with 500 watts power, conditionally.

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"If present negotiations are consummated", Leonard Lyons, Broadway columnist, said this week, "practically every Broadway movie house will soon display a television set. . . . which reminded Bobby Clark of the early days of radio, when he was appearing at the Palace Theater. . . One member of the troupe rushed off between shows to appear on a radio program - and this enraged E. F. Albee, who summoned George Godfrey, the Palace's booking-manager, and instructed: 'I want you to put a clause in all my contracts, forbidding artists to work on the radio. I'll put those damn radio companies right out of business.'"

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# FREQUENCY-MODULATION HIGH-FIDELITY RECEIVERS ON MARKET

The first frequency modulation radio receivers designed for sale to the public have been announced by the General Electric Radio and Television Department, Bridgeport, Conn., and are now being shown in New York and New England, only sections of the country to date in which there are transmitters and broadcasting stations utilizing the new system developed by Major E. H. Armstrong. Three models are now available, two of them equipped to receive only frequency modulation broadcasts, and a third which also combines three-band radio reception of the conventional type.

Outstanding characteristic of the new receivers, so far as the public is concerned, is their ability to recreate music and voice to an astonishingly lifelike degree, with an almost complete absence of static and interference. The receivers faithfully produce the fundamental notes and harmonic overtones, retaining the personal element even in a human whisper. The individual instruments of a symphony orchestra which ordinarily defy reproduction, such as the tambourine, cymbal, and triangle, can be made to emerge with clarity. G. E. engineers have been engaged in the development of frequency modulation receivers for the public for more than two years, and the ones just announced have undergone rigid testing.

The new model HM-136 makes available standard American broadcasts, foreign and domestic short-wave stations, and those transmitters of the frequency modulation type now in operation. Its five-position tone selector makes possible the adjustment of tonal balance over a wide range in accordance with personal preferences. It is equipped with a 10-inch dynapower speaker with curvilinear cone, field of Alnico, and has terminal connections for a public address system, so that the programs may be fed directly into such a system when desired. A television audio and phonograph key automatically permits the listener to enjoy television sound programs and can be used in conjunction with a television picture receiver, thus tieing-in the other major development of the year in a single instrument. Eleven feathertouch tuning keys are provided for standard broadcast stations.

The tuning range of this receiver, for frequency modulation, is 39 to 44 megacycles; for short-wave, 7500 to 22,000 kilocycles; for police-amateur, 2400 to 7500 kilocycles; and for standard broadcasts, 540 to 1600 kilocycles. Additional features are a multi-vision sliderule dial, floodlighted station finder, drift-proof station setting, tone monitor circuit, automatic tone compensation and volume control. It has 20 watts output, uses 13 tubes.

There are currently three broadcasting stations operating on the frequency modulation system - two in New England and Major Armstrong's original transmitter at Alpine, newr New York City. This fact temporarily limits the markets in which frequency modulation receivers can be sold, as in the case of television. The transmitters have a range of approximately a hundred miles, or twice that of television transmitters of equal power. The Alpine station, in the New York metropolitan area, rebroadcasts the radio programs of WQXR at the present time. Daily half-hour programs are broadcast every hour on the hour, from 11 A.M. to 4 P.M., and after 4 P.M. the program is continuous until 11 P.M.

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## SWISS NEGOTIATING FOR LEAGUE'S STATION

The Swiss Government is negotiating with the League of Nations for the purchase of the League's broadcasting station, according to a Geneva correspondent of the New York Times. An agreement is expected soon.

Two chief considerations are said to have prompted Secretary General Joseph A. C. Avenol to authorize the negotiations: First, expenditures recently have greatly exceeded receipts, and the League's declining membership necessitated a sharp budget reduction. Secondly, by agreement with the Swiss Government, the station enjoys extraterritoriality and might prove a source of embarrassment to neutral Switzerland in a war.

The League has received inquiries from broadcasting companies and press associations, especially in the United States whether the station would be available for dissemination of uncensored newsin case of war. Berne, greatly concerned as to possible uses to which this station might be put, offered to buy. Negotiations dragged on until fire last month destroyed the Swiss Government's new short-wave station at Schwarzenberg.

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## BRITISH CONSIDER $5 FEE FOR TELEVISION SETS

Owners of home television units in Great Britain will have to pay a special license fee for the privilege, if the Government adopts recommendations of the Television Advisory Committee set up by the Postmaster-General. Every user of a radio already pays 10 shillings ($2.50) annually to the Government for the privilege, out of which the British Broadcasting Corporation is financed, but the plan now is to have a special fee of one pound ($5) for vision sets, covering both picture and sound reception, meaning the viewer will pay out 10 shillings extra.

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## TWO STATION REVOCATION HEARINGS SCHEDULED

Revocation hearings on complaints against two broadcasting stations were scheduled this week by the Federal Communications Commission.

John H. Stenger, Jr., licensee of Station WBAX, Wilkes-Barre, Pa., was ordered to show cause why the license of his station should not be revoked because of circumstances in regard to management and control of station. The date was not set.

A hearing before Commissioner Norman S. Case was scheduled for September 25 in the revocation proceedings involving Albert H. Schermann, Yuma, Arizona.

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## NBC APOLOGIZES FOR WPA CHARGE AGAINST TYDINGS

The National Broadcasting Company broadcast an apology to Senator Milliard E. Tydings (D.), of Maryland, Wednesday night for an assertion made on a program July 25 that WPA funds had been used to build a private road and a yacht basin on his estate, the Washington Star reports.

The apology said that Bob Allen, newspaper columnist, had made the assertions in an NBC program.

It said Senator Tydings had told the company the statement was "entirely without foundation in fact", and Col. F. C. Harrington, WPA Commissioner had advised it that an investigation "failed to substantiate the allegations".

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## CANADA EXPLAINS NEW RULE ON SPONSORED PROGRAMS

Under the Canadian Broadcasting Corporation's new arrangements for administering subsidiary "hookups" of privately-owned stations - to be effective September 24 - the CBC itself will deal directly with sponsors. The new plan was reviewed by the CBC Board of Governors at a meeting in Ottawa. A statement explaining the change was issued as follows:

"Under the law the Corporation is the sole network authority. In addition to administering its national and regional networks, the CBC is responsible for the temporary, informal, limited hook-ups comprised mainly of privately-owned stations which it sets up for special purposes from time to time. These are called subsidiary hook-ups. In the past, the CBC has

restricted its function to approving subsidiary hook-ups, as application was made. In the future, it intends, in addition, to make all the necessary arrangements such as dealing with sponsors and agencies direct, booking time on the stations concerned, quoting rates, and other like administrative details. This is in accordance with the policy stated before the Parliamentary Committee. The change does not involve the taking over of private stations or interference in their operation. It is largely one of administrative procedure."

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## TRADE NOTES

The Federal Communications Commission has adopted an order calling upon foreign communications carriers to make a study of their traffic on September 7, 12, 16, 17, 20, 25, and 29, to be reported to the Commission on or before November 10, 1939 in order that the Commission may be more currently informed, particularly so in preparation for the forthcoming international telegraph conventions to be held in Lisbon, Portugal, in 1940, and in Rome, Italy, in 1942.

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Virginia Campbell, actress, is ill at her home in Westport, Conn., apparently from the effects of the intense lighting used for a television broadcast, according to Variety. She has been suffering severe headaches and sudden dizzy spells, but is somewhat improved, although still under a physician's care.

She appeared on a televised dramatic program two weeks ago for NBC. She became ill immediately afterward her eyes becoming affected first. It is believed hers is the first such case, although "klieg poisoning" is a common ailment among film players, particularly since the introduction of color photography, requiring more intense lighting.

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The Columbia Broadcasting System has signed agreements with L. B. Wilson, Inc., whereby WCKY, Cincinnati, becomes a CBS affiliate effective October 1. The station recently assumed maximum power facilities, broadcasting with 50,000 watts power night and day at 1490 kilocycles. Affiliation of WCKY improves Columbia's coverage of the Cincinnati area by substituting a 50-kilowatt transmitter for WKRC, with 5000 watts day power and 1,000 watts at night. WKRC, which is owned by CBS, will continue to be operated by CBS as a local station.

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Stations WBLK, Clarksburg, West Virginia, and WGKV, Charleston, capital of the State, will become affiliates of the National Broadcasting Company on September 24, bringing NBC's station total on that date to 174. WBLK is licensed to The Exponent Company to operate full time on 250 watts on the 1370 kc. channel. John A. Kennedy is President and General Manager.

Station WGKV, which is now being constructed under a permit held by the Kanawha Valley Broadcasting Company, operates full time on 100 watts on the 1500 kc. channel.

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Auto-radio is fast becoming an all-year-round business, reports Sayre M. Ramsdell, Vice President of Philco Radio & Television Corporation.

"While seasonal peaks in auto-radio still remain, these peaks are showing a tendency to level off", Mr. Ramsdell declared. "I believe the reason for this trend is two-fold -- first, the tremendously high peaks in automobile sales themselves are showing definite signs of spreading over much longer periods of time; second, auto-radio sales are becoming less closely geared to the automobile touring seasons."

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William C. Steffy and G. V. Parkinson, trading as Atlas Globe China Company, Advertising Department, Rogers Silverware Distributors, Bordeaux China Company and China Sales Syndicate, 549 West Washington Boulevard, Chicago, were ordered by the Federal Trade Commission to discontinue false representations in the sale and distribution of silverware, earthenware, chinaware, radios or sales promotional plans and to also discontinue the use of lottery methods in the sale of merchandise.

The respondents are prohibited from misrepresenting the retail price of radios; selling any merchandise by means of a lottery scheme, or supplying others with lottery devices so as to enable such persons to sell any merchandise.

It is also ordered that the proceeding in relation to Lorina Steffy, mentioned as a respondent in the Commission's complaint, be closed without prejudice.

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## A. T. & T. CHANGES TO SAVE USERS $1,060,000

The Federal Communications Commission announced this week that it has received for filing from the American Telephone & Telegraph Company's long lines department tariff changes which will result in an annual savings to users of $1,060,000.

Affected are private line Morse services, private line typewriter service, private line telephone service, press and government bulletin news service, and channels for program transmission.

In the latter category, the turning points in connection with the computation of interchange channel charges have been eliminated.

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## NBC TELEVISION SIGNALS REACH CAPE COD

Television images from the National Broadcasting Company's station W2XBS atop the Empire State Building are being picked up regularly and clearly on Cape Cod, a distance of 185 air-miles from New York City, according to Dean R. Barker, a radio and television engineer who operates an experimental receiving station near West Falmouth, Mass.

Mr. Barker reported to RCA and NBC officials that he uses a home made 21-tube set with a five inch kinescope, a portable 40-foot mast and a two-element antenna beam. Although television signals are supposed to carry only to the horizon as seen from the top of the transmitting antenna, Mr. Barker says that he picks up hour-long programs from W2XBS without the slightest difficulty and with little or no interference.

The engineer's only explanation for the phenomenon is that the signals travel almost exclusively over water from the transmitter to West Falmouth. He points out that at his home in Taunton, Mass., which is far inland from the Cape, he is unable to pick up any visio signals from W2XBS.

Mr. Barker, a member of the Institute of Radio Engineers and the American Radio Relay League, operates amateur station W1JLY.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF AUGUST 15, 1939



No. 1149

August 15, 1939.

BOSTON STATION TO STRENGTHEN EUROPEAN AND S. A. SIGNALS

A step further in building up our international short-wave service to foreign countries will be additional facilities contemplated by Station WIXAL, operated by the World Wide Broadcasting Foundation in Boston.

"Early in September we hope to have WIXAL moved to a new location right on the Atlantic Ocean outside of Boston." Walter S. Lemmon, President of World Wide said in discussing his plans. "We will then put some real signals into Europe and South America."

Three years ago The Rockefeller Foundation appropriated $25,000 to enable the World Wide Broadcasting Foundation to experiment with radio programs of cultural and educational value. The Broadcasting Foundation has since received two additional grants from The Rockefeller Foundation for its experimental work: one of $40,000 for use during the two years beginning July 1, 1936, and one of $100,000 for the next two years. Of the latter sum, $25,000 is to be paid unconditionally and $75,000 on the basis of one dollar for each dollar collected by the Broadcasting Foundation from other sources.

"The World Wide Broadcasting Foundation is a noncommercial organization incorporated for the purpose of developing, producing, and broadcasting programs of an educational, artistic, and cultural nature, and for arranging interchanges of constructive radio programs throughout the world." A Report of the Rockefeller Foundation states: "For this it has use of the facilities of the shortwave station WIXAL in Boston." This station accepts no advertising and operates on a nonprofit basis for the service of the public. It is the only station in the United States with national coverage that is devoted exclusively to educational and cultural programs. Its license gives it the use of four shortwave frequencies. Last year the Federal Communications Commission assigned to it, on loan, two additional frequencies of the five reserved for Pan-American Broadcasting."

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## THUMBS DOWN ON NEW LOUISVILLE STATION

An application by the Northside Broadcasting Corporation now operating Station WGRC at New Albany, Indiana, and the Gateway Broadcasting Company, of Louisville to construct an additional station in Louisville has been refused by the Federal Communications Commission. After considering the case the Commission reached the following conscusion:

"Station WGRC and the station proposed by the Gateway Broadcasting Company, operating as proposed, would be limited at night to the approximate 5 or the 5.2 millivolts per meter contour, and would not render primary service day and night to the entire metropolitan district of Louisville. Under the allocation practice of the Commission it appears, and the Commission finds that a grant of these applications, or either of them, would not be in accordance with the proper allocation of regional frequencies and good engineering practice, and would not be in the public interest."

It had been proposed to locate the transmitter for the new station on an island in the Ohio River between the business districts of Louisville and New Albany.

George O. Sutton, Arthur H. Schroeder and C. E. Schindler on behalf of the Northside Broadcasting Corporation and Paul M. Segal on behalf of the Gateway Broadcasting Company and Station WAVE; Horace L. Lohnes and M. M. Jansky on behalf of Station WGBI; T. P/ Littlepage, Jr., and William A. Porter on behalf of the Kentucky Broadcasting Corporation.

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## ART STRINGER LANDS WITH BROADCASTERS

Another addition to the staff of the National Association of Broadcasters last week was Arthur Stringer, of "Eoornis Gobiensis" fame. He was engaged as a promotion specialist and will be assigned to the Public Relations Department.

Mr. Stringer, a resident of Chicago, has had a long and extensive career in radio promotion. He began work as a member of the Advertising Department of the Chicago Tribune. He was at one time Associate Director of Gorgas Memorial Institute. In 1926 he became Publicity Director for the first New York and Chicago Radio Shows and more recently was with Station WLW at Cincinnati.

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## INTERNATIONAL GETS NEW CALL LETTERS

One of the nation's oldest short-wave calls passed out of existence August 1, when the Federal Communications Commission changed the call-letters of the Crosley International Broadcasting Station from W8XAL to WLWO. The announcement was made by R. J. Rockwell, technical supervisor. The assignment of the new call-letters, Rockwell explained, indicates that the station has been removed from the experimental classification and may now transmit commercial programs to its international audiences. At the same time the WLWO call-letters were assigned, all Crosley mobile unit and relay licenses were removed from the experimental classification and given call-letters WLWA through WLWI.

W8XAL, now WLWO, began operation as early as 1924 and is one of the pioneer experimental stations in the world. A new transmitter, developed by Rockwell, which will increase the power of the station from its present 10,000 watts to 50,000, was recently authorized by the FCC. It is expected that WLWO will begin operation on the new high frequency early in the fall.

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## SARNOFF SEES TELEVISION AS GREAT CULTURAL AID

Through television coupled with the universal increase in schooling, Americans may attain the highest general cultural level of any people in the history of the world, David Sarnoff, President of the Radio Corporation of America, writes in the Journal of Applied Physics for July 1939.

"What of the effects upon existing institutions, such as motion pictures, the theatre, schools and churches?" Mr. Sarnoff goes on.

The motion picture industry may become an important source of supply of recorded programs to television broadcasters, where such recordings may serve the purposes of program material more conveniently than direct transmission of living actors. There are other possibilities too for cooperation between the motion picture industry and television. Each should be able to stimulate the other and this should result in an enlarged service to the public.

"With a rising cultural level, we may expect also an increase in the number of creative artists working with materials of the theatre. Such artists will be used not only by the television broadcasting systems; they will find additional outlets for their creative energies. Through these new developments we may see a rebirth of local community theatres for the production of

legitimate drama, musical performances, dances, and the like.

"The school systems will probably make increasing use of television as part of the educational program; for with this medium it will become possible for the best teachers in the land to give carefully prepared and illustrated lectures to millions of children simultaneously.

"Church broadcasting will rise to new spiritual levels, for with television the listeners can participate most intimately in the services of the greatest cathedrals; they will not only hear the ministers and the music, but see the preacher face to face as he delivers his sermon, witness the responsiveness of the audience, and observe directly the solemn ceremonies at the altar.

"Thus, the ultimate contribution of television will be its service towards unification of the life of the nation, and at the same time the greater development of the life of the individual. We who have labored in the creation of this promising new instrumentality are proud to launch it upon its way, and hope that through its proper use America will rise to new heights as a nation of free people and high ideals."

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## CAPITAL POLICE STILL SEEKING RADIO HOME

Use of Central High School grounds in Washington, D. C. for a receiving set for the proposed two-way radio service soon to be inaugurated by the Police and Fire departments has been requested of the Board of Education.

After the Washington Monument Society refused to permit the use of the landmark for the receiving set, District officials experimented to find other suitable locations. The school site was selected, in addition to four fire engine stations in various parts of the city.

Herbert A Friede, superintendent of the police and fire alarm systems, expects to get part of a $500,000 loan and grant asked from PWA for the new fire alarm headquarters, for the new radio service.

In addition, Maj. Ernest W. Brown, Superintendent of the Metropolitan Police, said he had enough funds available to install the two-way radios in about eight radio scout cars. A similar number will be tried out in Fire Department vehicles.

Engine Companies 16, 22, 25 and 31 would serve the radio system, Friede said.

The estimated cost to equip a scout car with the two-way system is $350. Providing Congress appropriates the money, all police cars would be equipped with the new sets.

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"The school systems will probably make increasing use of television as part of the educational program," he said. "In this realm it will become possible for the best teachers in the land to give carefully prepared and illustrated lessons to millions of children simultaneously.

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"Thus, the ultimate contribution of television will be its service towards integration of the life of the nation, and at the same time the greater development of the life of the individual. We who have interest in the creation of this generation now in responsibility are proud to launch it and its way, with hope that through its proper use America will rise to new heights as a nation of free people and high ideals."

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## CAPITAL POLICE WILL EXTEND RADIO NETS

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PUBLIC TELEVISION IN GERMANY IN DECEMBER - MAYBE

Germany still hopes to come out with public television but nobody seems to know just when. Discussing this possibility in connection with a review of the German Radio Exhibition in Berlin, a writer in World-Radio (London) goes on to say:

"There is no theatre-studio to liven up the atmosphere of the television section, which consists of a vast hall, on both sides of which the five German firms interested in television show some historic apparatus, and present the new "Standard" television receiver--the first to become available to the public.

"All the television sets are showing the same picture, transmitted from the Berlin television station, with 441-line definition. It seemed surprising that the receivers on view did not produce a "standard" picture. I carefully observed the reception quality throughout the opening day, and noted considerable differences; in some instances bad flicker, poor focusing, and unpleasing dark shadows were apparent. I was assured, however, that the sets would be tuned to give correct performance later in the run of the exhibition.

"The most sensational exhibits were the bearings made of ceramic materials and the porcelain valves, which are intended to take the place of the metal valves. The former will not, however, be introduced at present, as they would be more expensive than the present metal valves.

"Large-screen reception of television is being demonstrated in the hall of a Post Office in a North Berlin district. The screen is approximately 10 ft. by 12 ft., the same as that used in small cinemas. Lighting of the screen seemed even brighter than in some of the smaller Berlin cinemas, but the brilliancy and quality of the picture shown is not up to full entertainment standard, bearing in mind the expectation of a public who will enter this hall as they would a cinema.

"The television set with its new flat screen with square picture--due to the form of the new type of cathode-ray tube used --will no doubt attract considerable attention at the Berlin Show. It is announced that five thousand sets will be on the market by December, and that another five thousand will then be made by the joint television industry. The price is fixed at £32 10shillings (at par), and this set is without medium or long wave radio reception although it has complete equipment for ultra-short waves. The screen of the set can be covered when the listener wishes to listen to the ultra-short transmissions of the Deutschlandsender programmes, which will fill in television intervals.

"The actual official opening of the first German public television service remains in the future. Once the sets become available--which, it has been officially stated, will be possible only if enough raw materials, can be spared from other work--by December Berlin will at any rate have a service."

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## REGIONAL STATION RULE ENFORCED

In reporting adversely upon a request for an increase in power for Station WMBR at Jacksonville, Florida the FCC cited the fact that regional stations are designed to serve a metropolitan district and large rural areas adjacent and concluded: "In this instance the applicant will not render the service to be expected of a regional assignment.

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## NEW WISCONSIN STATION FAVORABLY REPORTED

Favorable action was taken upon the application for a new station WJMS at Ashland, Wisconsin. It was believed that no interference would result to WSAV and WHLB there. The FCC concluded that public interest would be served by granting the WJMS application, subject to the following conditions:

(a) That the applicant shall, within a period of thirty days furnish the Commission with satisfactory proof of its authority to issue the capital stock proposed to be issued and to do business in the State of Wisconsin; and

(b) That if a construction permit be subsequently issued to the applicant, upon compliance with the above conditions, said permittee shall, within three months after the effective date of this order, file an application for modification of construction permit, specifying the exact transmitter location and domplete radiating system.

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## NINE MILLION GREAT BRITAIN LICENSES

Great Britain has now more than 9,000,000 licensed listeners, the number at the end of June being about 9,009,700, it was announced recently by the Postmaster-General. These figures give an average of 72 licences per 100 households, and, excluding children under seven, a total of 29,000,000 listeners. Licences, which have continued to increase, though at varying rates, since the wireless licence was instituted in January, 1923, increased by over 25,000 during June.

The density of licences to population in this country is exceeded, in Europe, only in Denmark and Sweden. It is exceeded, outside Europe, in New Zealand and the U.S.A. (as there is no licensing system in America, the proportion of listeners to total population is an estimate).

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# NEWSPAPERS WARNED AGAINST TELEVISION

Surveying the probable effects of television upon newspapers David S. Spector in the first of a series of articles in the Editor and Publisher sees it as a definite threat to local advertising revenues. Mr. Spector intimating that publishers overlooked a great opportunity to get in on radio in the early stages warns that television is even more important, and advises newspapers to "take it into camp" while there is still time.

"Last April at a meeting of the National Newspaper Promotion Association held in New York, consideration was given to the problem of the position of the newspaper in national advertising schedules." Mr. Spector writes: "It appears that national advertising in newspapers in the year 1938 was 14.7% greater than in 1933, whereas national magazines showed an increase of 34.3% and radio an increase of 127.6%. The figures for 1938 continued to express a trend away from the use of the newspaper by the national advertiser and, very properly, intelligent newspaper officials are considerably disturbed.

"Now comes television. Unquestionably it behooves the newspaper to appraise most carefully the probable course of development of television as a new advertising medium and the effect of this development on the very foundation of newspaper income--that which comes from essentially local advertising.

"A sine qua non of such an appraisal is a clear understanding of one important aspect of television. Those who have this understanding have little doubt that television must inevitably develop into an additional advertising medium and directly competitive to the newspaper, and one which will constitute a definite threat to the newspaper of much greater significance than radio broadcasting as we know it today.

"This important aspect of television is that its effective reception range is from 25-35 miles from the location of the television transmitter, in all directions from that transmitter.

"The most significant fact in television is that its reception area corresponds almost exactly with the normal circulation area of the large city newspaper. Because of this, television is destined to become an even more direct competitor of the newspaper for local advertising than radio. Also because of this, television must appeal principally to the local advertiser, who contributes so large a part of the total advertising income of the newspaper."

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## FCC REBUKED; QUESTIONED COURT'S POWER

The Federal Communications Commission received a sharp rebuke from the United States Court of Appeals yesterday for advocating a "method of uncontrolled competition that is one way of creating monopolies."

The attack was contained in a decision by Justice Miller upholding the commission's action in granting a license to radio station WMEX, operated in Boston by the Northern Corporation, to increase from 100 to 5,000 watts.

The Yankee Network, Inc., appealed from the decision on the ground that the financial and economic interests of its station, WAAB, would suffer in competition with the more powerful station. The court found the commission had a "substantial basis" for concluding that the new station would have no such effect and therefore dismissed the appeal.

The commission's claim that the court had no power to hear the appeal was made the basis of an attack on the "arbitrary and uncontrolled exercise of power" that might result if the claim were allowed.

Quoting the Commission's statement that "one of the chief concerns of Congress . . . was to guard against monopolies and to preserve competition" (in passing the Federal Communications Act), the Court commented, "It is difficult to understand how this result could be achieved by deliberately or carelessly licensing so many new competing stations as to destroy already existing ones, and possibly the newly created ones as well."

"The method of uncontrolled competition argued for by the Commission in the present case," the Court continued, is in fact one way of creating monopolies. If it were allowed to go on unrestrained, according to its theory of nonreviewable arbitrary power, none but a financial monopoly could safely exist and operate in the radio broadcasting field."

The right of existing licensees to appeal from decisions of the Commission is granted in the Federal Communications Act, the Court ruled, holding to interpret the section any other way would be to "deprive it of meaning and eliminate it from the act."

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## PATENT LAWYER HIRED FOR MUSIC SCRAP

Sydney M. Kaye has been engaged as special counsel by the National Assn. of Broadcasters to complete the drafting of final plans to develop new sources of music for the radio industry independent of ASCAP.

"Mr. Kaye is regarded as one of the outstanding copyright lawyers in the nation", according to an NAB bulletin. "He is thoroughly conversant with broadcasting and its operating problems. He possesses a wide knowledge of the music publishing business and has acquaintances throughout the music publishing world."

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## TRADE NOTES

In line with its policy of experimenting with all types of television programs in order to determine audience preferences, the National Broadcasting Company will inaugurate a new series of telecasts dealing with the advertising of women's shoes over station W2XBS, on Wednesday, Aug. 16, at 12:45 p.m., EDST.

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RCA Communications, Inc. - June and six months to June 30:

| | 1939 | 1938 |
|---|---|---|
| June gross . . . . . | $415,307 | $417,378 |
| Net income . . . . . | 21,269 | 20,018 |
| Six months gross . . | 2,696,206 | 2,584,869 |
| Net income . . . . . | 224,834 | 166,700 |

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Aiming his camera through a high power telescope, Byron McGill, of the National Broadcasting Company at KDKA, Pittsburg made a picture of the top of the broadcasting station's skyscraping antenna which is exactly 710 feet high.

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Effective September 24, Station WCKY, Cincinnati - with 50,000 watts power night and day - joins Columbia as a member of the Basic Network, replacing WKRC (5,000 watts day; 1,000 watts night).

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A national radio system for the whole of Malaya to be used in time of emergency was urged by Mr. E. N. C. Woolerton of Singapore at a meeting of the Legislative Council of the Straits Settlements.

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The Morris Liebmann Memorial Prize for 1939 awarded by the Institute of Radio Engineers to H. T. Friis will be presented by the 14th Annual Convention of the Institute to be held in New York next month.

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## WOR JOINS TELEVISION RANKS

In the interests of an extensive program of research and experimentation, station WOR of the Bamberger Broadcasting Service, Inc., announced this week that it has applied for permission to construct a television station in the heart of New York City. The project, according to Alfred J. McCosker, President of WOR, will be closely linked with a campaign of experimentation in new television program technique and engineering advancement.

The application, filed with the Federal Communications Commission at Washington, calls for a 100-watt transmitter operating in the 84 to 90 megacycle band and located atop a skyscraper in midtown New York. It will service the entire Metropolitan area.

The proposed policies of the new station will emphasize educational telecasts and special features coverage of spot news, political and sporting events with the same timeliness as WOR has displayed in its sound boradcasts.

Both live programs and motion pictures will be aired from the new television installation. A study of improved studio methods is already under way. The new station, although it will be licensed on an experimental basis for unlimited time, expects to offer visual programs daily, the number of hours being dependent on the increase within its service area of installed receivers.

Cooperation in the educational aspects of the venture has been assured by a number of important educational institutions in New York State and New Jersey.

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## I. T. & T. APPOINTS NEW EXPORT MANAGER

O. J. Olgiati has been appointed export manager of the International Telephone and Telegraph Corporation, it was announced by Sosthenes Behn, president of I.T. & T. Connected with the telephone business since 1911, Mr. Olgiati in the past seventeen years has sold personally telephone, telegraph and radio equipment and other electrical supplies in thirty-five countries outside of North America.

Upon his graduation from the University of Vermont in 1911 as an electrical engineer, he joined the Western Electric Company and had four years' experience in its telephone factory at Hawthorne, Ill. In 1915 he was selected for the research staff of the Bell Telephone Laboratories and subsequently joined the United States Navy and served during the war as an ensign in the submarine service.

When International Western Electric was purchased by I.T. & T. in 1925 and reorganized as International Standard Electric Corporation, Mr. Olgiati was sales engineer. In 1934 he was made sales manager and now manager of the export department.

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## WOR DEMONSTRATES FACSIMILE TO PRESIDENT

Miles will be no bar to President Franklin D. Roosevelt reading his daily news each morning while he cruises during the next ten days in the North Atlantic off American shores. Through the miracle of facsimile, a printed resume of the events of the day will be flashed across the miles to the U.S.S. Tuscaloosa each night and reproduced in identical form aboard the vessel for the nation's vacationing chief executive.

A special Finch facsimile receiver has been installed aboard the Navy cruiser, and this is tuned each night from 2 to 4:30 a.m., EDST, to WOR's regular 710 kilocycle channel. During that period WOR transmits facsimile signals which may be received many hundreds of miles at sea.

Facsimile is the new method of radio communication by which regular printed matter and pictures may be sent over the air for reproduction at the other end. WOR has been actively engaged in the new field for more than a year and a half.

A complete copy of the daily transmission, including all current items which should be of interest to the President during his vacation from Washington, will be placed before Roosevelt each morning by radio officers aboard the Tuscaloosa.

WOR also transmits facsimile each afternoon from 4 to 6 p.m., over its ultra-high frequency transmitter, W2XUP, for local receivers scattered about the metropolitan areas.

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## MUTUAL ADDS NEW KENTUCKY OUTLET

Station WCMI, at Ashland, Kentucky, and servicing the territory around Huntington, West Virginia, will join the Mutual Broadcasting System on September 24, thus forming another link in the newly-formed Southern Network.

WCMI, operated by the Ashland Broadcasting Company, operates on 250 watts of daytime power and 100 watts at night. The channel is 1310 kilocycles. WSIX, Nashville, WLAP, Lexington, and WGRC, New Albany (Ind.) and Louisville, Ky., - the three other members of the Southern Network - officially become affiliated with Mutual on September 24.

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF AUGUST 18, 1939



No. 1150

## CANADA OUR BEST RADIO CUSTOMER

Canada has forged ahead as the largest radio market of the United States during the last fiscal year according to John H. Payne, Chief of the Electrical Division of the Bureau of Foreign and Domestic Commerce. South Africa led in 1936 with $2,901,000 with Mexico second; Mexico was ahead with $2,835,000 the year following with the United Kingdom close behind.

During the past year Mexico took a drop to sixth place. No comment was forthcoming on this at the Commerce Department but reasons advanced for the falling off of radio trade with our neighbor to the south were that either they were less friendly on account of the oil controversy or not so prosperous now as they were the year before.

The following table shows United States radio exports during the last fiscal year.

(Note: Underlined figures indicate first place for that year. Values in thousands of dollars.)

| Commodity Description | Argentina | Brazil | Canada | Mexico | South Africa | United Kingdom |
|---|---|---|---|---|---|---|
| | | | 1 9 3 8 | | | |
| Transmitters.... | 54 | 72 | 247 | 136 | 24 | 53 |
| Receiving Sets.. | 69 | 1,192 | 296 | 711 | 1,552 | 738 |
| Tubes..... | 494 | 167 | 221 | 75 | 85 | 140 |
| Components..... | 1,094 | 322 | 1,044 | 65 | 124 | 857 |
| Loudspeakers.... | 130 | 60 | 210 | 11 | 11 | 8 |
| Accessories..... | 17 | 11 | 131 | 27 | 32 | 55 |
| Total..... | 1,858 | 1,824 | 2,149 | 1,025 | 1,828 | 1,851 |

The total radio exports to all countries by the United States during 1938 was $23,100,000, of which $10,554,000 was for receiving sets.

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## BOSTON RADIO BUOY SUCCESSFUL

The following observation by the commanding officer of a Navy Vessel on the radiobeacon buoy which is now undergoing service trials in Boston Channel is of interest:

On May 29, 1939, this vessel received signals form the radiobeacon buoy No. 10 in Boston Channel, when at a distance of approx-

imately 5½ miles from the buoy. The character of the signal was excellent at this distance and is considered sufficiently strong to obtain reliable bearings."

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FRANCE TO IMPROVE S-W BROADCASTS TO U. S.

At last France evidently intends to do something to improve its short-wave broadcasts to the United States. This is understood to be the proposal of M. Leon Brillouin, slated to be Director of State Broadcasting. At the same time M. Jean Giraudoux is to be named Commissioner for Information in charge of propaganda. Under them will be the government stations - Radio Paris, PTT, the Eiffel Tower, and the state provincial stations.

M. Brillouin while visiting the United States recently is said to have been told of many shortcomings of the French short-wave broadcasting service insofar as this country was concerned--that Germany, England, Italy, Holland and even Czecho-Slovakia were sending a better signal into the United States than France. Also that the programs of these countries were superior to the French, the latter using for the United States many gramophone records.

So now evidently M. Brillouin proposes to do something about it. To meet the necessary additional expenditure, it is reported that the draft of the French Budget for next year will contain a provision for raising the licence fee from 50 to 75 francs. M. Brillouin is a Professor of Physics and is the inventor of a sound amplifier He is well acquainted with the technical problems of broadcasting.

M. Jean Giraudoux enjoys the double distinction of being a member of the Diplomatic Service, and also of being one of the most notable among French men of letters. Many Londoners will remember his play Amphytrion 38, which was produced some time ago. As a diplomat he spent three years in Berlin, and at one time he was head of the Press service at the Quai d'Orsay.

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Message traffic and equipment sales in the marine radio field show a definite increast, according to Charles J. Pannill, President of the Radiomarine Corporation of America, who sailed from New York on the Normandie to attend the annual meeting of the Comite Internationale Radio Maritime in Paris.

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## LOST BUSH-WALKERS

Tests made in Australia might be watchen with profit by state police in this country in case there should be a repetition of an emergency brought about by the lost boy in Maine recently.

A Sydney suburban radio club has been conducting field tests to ascertain the value of portable radio transmitting and receiving equipment for communication between search parties looking for persons lost in the bush. The primary object of the tests was to determine what type of equipment is best suited for search and rescue parties, which are usually forced to walk over rough country.

Bushwalking is a popular pastime, and there are many well-organized and efficient bush-walking clubs. The members on these organizations are very well able to look after themselves and they have formed rescue and search sections to find, or assist the police force to find, careless or unskilled parties, a certain number of which lose themselves every year. In the Australian radio tests field parties kept in touch with a base station which in turn was in constant communication with a city station.

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## NORWAY EXPANDS POLICE RADIO EQUIPMENT

In 1937 the Norwegian police authorities commenced to use radio transmitters and receivers in its service. The Oslo municipal police now own 11 receivers and 7 transmitters, and the Government police at Oslo own three transmitters and three receivers. With the exception at four patrol cars of the municipal police, which are equipped with receivers only, the two-way system is used. One of the transmitters, which is installed at police headquarters, is of 50 watts, whereas the other transmitters installed in patrol, passenger and transportation cars and a police harbor boat, are of five watts.

The equipment in use has been purchased from the local representatives of an American company. It is understood that when new patrol cars are provided, they will probably be equipped with ultra short wave radio telephone transmitters and receivers. The Norwegian police is interested in purchasing equipment for two-way communication only.

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## THAW EXPEDITION WELL EQUIPPED

The four mobile motor units in the Lawrence Thaw trans-Asiatic expedition will be able to maintain contact with each other even when separated by distances as great as 200 miles. The equipment will permit short-distance transmission and reception between each of the two trucks, trailer and cruiser sedan by the use of four transmitters and communication type receivers. Two medium-high frequency transmitters and receivers installed in the cruiser sedan and trailer are capable of giving clear reception up to 200 miles or more.

The expedition left New York City on June 21, on the 14,000 mile tour that will take it through Budapest, Istanbul, Damascus, Baghdad, Herat, through Khyber Pass, Delhi, Calcutta and finally into Bombay, India, sometime next spring.

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## MORE SHORT-WAVE CALL LETTER CHANGES

In recognition of the fact that the short-wave stationshave outgrown their experimental status, the National Broadcasting Company's two international shortwave stations were assigned new call letters by the Federal Communications Commission. W3XAL hereafter will be known as WRCA, while W3XL is to be called WNBI.

Both stations will continue to operate on their old frequency channels, WRCA using 21,630 kilocycles (13,87 meters) and 9,670 kc (31.02 m.) and WNBI employing 7,780 kc (16.8 m.) and 6,100 kc (49.1 m.).

Westinghouse short-wave station W8XK, outlet of the pioneer station KDKA, will hereafter be known as WPIT; and the Crosley short-wave station at Cincinnati, W8XAL, which reproadcasts the programs of its big brother WLW will now have the call letters of WLWO. General Electric's Schenectady stationswill be known as WGEO and WGEA from now on and their San Francisco station is now KGEI. Columbia's station W3XAU is now WCAI.

So will be seen that several of the stations have availed themselves of the opportunity to include the initials of their companies in the call letters, such as WRCA (Radio Corporation of America), WNBI (National Broadcasting Co.) WPIT (Westinghouse, Pittsburg) and WGEO, WGEA, and KGEI (General Electric).

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## KHBRC CALL LETTERS FOR HOWARD HUGHES

Howard R. Hughes, famous around-the-world aviator, has been granted by the Federal Communications Commission special temporary authority to operate already licensed aircraft radio transmitter aboard plane NX-19904, owned by Howard R. Hughes and bearing call letters KHBRC, as a relay broadcast station. It will be on frequencies 4797.5, 6425, 12862.5 and 17310 kc, 100 watts, for a period not to exceed 30 days, to relay broadcast special program in connection with the proposed sub-stratosphere flight across the Atlantic Ocean and to be broadcast over CBS and Station Wor for Mutual network.

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## CAPITAL STATION SEEKS 5KW BOOST

The National Broadcasting Co. filed with the Federal Communications Commission an application for the removal of the transmitter of Station WMAL. The Washington Evening Star station from 712 Eleventh Street, N.W. to Bethesda, Md., a suburb of the capital. The application asks for a construction permit to install a new transmitter, directional antenna for day and night use and an increase in power from 250 watts night, 500 watts day, to 5 kilowatts. The station would remain on its present frequency of 630 kilocycles.

A map furnished with the application shows the proposed site of the station, about one mile west of the old Georgetown road between Alta Vista and Beane. The proposed transmitter would have four towers approximately 400 feet in height each.

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## BOAKE CARTER STAGES COME-BACK THROUGH DISCS

Boake Carter, noted Philadelphia Commentator, whose retirement from the air sometime ago occasioned considerable comment, some declaring it amounted to censorship is to be heard through electrical transcription.

The daily commentary series begins September 11. The discs are now being distributed. Donald Flamm has contracted for the services in New York City for Station WMCA.

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At the end of May the [illegible] 1,128,664 radio receiving licences in force in Australia, equivalent to about one for every sox persons. The gross income is estimated at £1,180,000.

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## ::::TRADE NOTES::::

An application has been received to erect a new station at San Juan, Puerto Rico. It would be operated by the Puerto Rico advertising Company on 1500 kilocycles, 250 watts power, unlimited time.

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A construction permit has been granted for a new municipal police station for Martinsburg, Va., with a frequency of 2490 kc.

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Station KHQ, Spokane, Wash., has been given temporary authority to rebroadcast Washington National Guard planes in radio maneuvers.

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Unit sales in radio-phonographs are 710 percent ahead of what they were last year, according to E. J. Krause, head of Philco's radio-phonograph division.

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The Federal Trade Commission issued a complaint against Sam Luber, trading as Dearborn Sales Company, 711 South Dearborn St., Chicago, Charging the use of lottery methods in the sale and distribution of radios and other articles of merchandise.

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Ian C. Javal, commercial director of the Baird Television Corporation, sailed for England last Wednesday, on the Normandie, on business in connection with important new developments. He will return here in the late fall.

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The first short wave radio direction-finding station will be installed at Sydney, Australia this summer. This station, the first unit in a scheme for 18 stations to cost $50,000, will serve the Empire line, the trans Tasman line that is to start in 1940, the New Guinea line and the Dutch line. As soon as this station has been fully tested another will be erected on Lord Howe Island for the Tasman service.

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## WJSV LAUDED BY LABOR LEADERS

Representative Andrew C. Schiffler (Rep.) of West Virginia has caused to be entered in the Congressional Record an official recognition of "devotion to public service by radio station WJSV, of Washington" for its "Labor News Review" program now in its sixth year.

Simultaneously, A. D. Willard, Jr., general manager of the CBS station, and Albert N. Dennis, commentator on the program, have been presented with plaques in Appreciation of their service to Labor and given by Brewery and Yeast Workers Local No. 48 and Beer and Soda Water Drivers' Local No. 67.

Representative Schiffler, in placing a radio address by Harry J. Thompson, of the Brewery and Yeast Workers, in the Record, prefaced the entry with the following:

"The address (Mr. Thompson's) was delivered on the Labor News Review radio program which WJSV has presented continuously as a public service since the Summer of 1934 and which has become the oldest continuously presented labor radio program in all the world. Devoted to facts and avoiding participation in any controversy within the ranks of labor, the Labor News Review has become a worthy institution, rendering a first-class public service that is highly regarded, not only by labor but by the entire public."

The legislator also caused to be published the transcript of a tribute over WJSV by the Brewery and Yeast Workers and the Beer and Soda Water Drivers to their employer, Christian Heurich, Sr., prominent Washington brewer, whose employes broadcast their respects on his approaching 97th birthday.

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## CBS NEW RATE CARD EFFECTIVE SEPT. 15, 1940

In purlishing Rate Card No. 26 the Columbia Broadcasting System announces the first general rate revision since late in 1936.

"Constant advances in the size of the U. S. audience, and steady improvements in power and facilities, have been recorded in the past three and a half years, since the last rate changes," a Columbia press release states.

Growth of the radio audience since the last CBS rate revision in 1936 is seen in these percentage trends: total radio homes up 14%, from 24,500,000 to 28,000,000; total sets up 44%, from 33,000,000 to 47,500,000; auto radios up 56%, from 4,500,000 to 7,000,000. Moreover, sets in daily use have increased from 76.4% to 84%, and average hours of daily use have risen from 4.2 to 4.5 per day.

"Development and extension of CBS facilities since 1936 have made notable strides, with total station power up 46.3%, 60% more 50-kw stations, 45 stations operating with increased power, and 66 stations utilizing improved transmitters and equipment. The new card, effective September 15, 1939 for new contracts, and effective a year later, or September 15, 1940, for present contracts, advances CBS rates 7.5% over the present average.

"Comparison of Rate Cards 25 and 26 reveals the following detailed changes: time charges for 12 stations have been lowered $25 per evening hour each; 41 stations remain constant; 56 stations increase an average of $36.16; two stations added to the network (WMT, Cedar Rapids, and KWFT, Wichita Falls). This totals 111 stations; with four bonus stations and a choice of WMFG or WHLB, Hibbing-Virginia, Michigan, and a choice of WGR or WKBW, Buffalo, the complete CBS network now stands at 117 stations in 116 cities.

"The basic network under Rate Card 26 comprises 26 cities, compared with 25 on the current card. WMT, Cedar Rapids, has been added as a basic station, effective May 1, 1940; WHP, Harrisburg, becomes a basic optional station; WORC, Worcester, becomes a basic supplementary."

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YOUTH,16,WINS MARCONI SCHOLARSHIP

A two-year scholarship valued at $1,000 to the RCA Institute of New York was presented at the Westinghouse Exhibit Auditorium at the World's Fair to Robert Barkey, 16, a graduate of Stuyvesant High School, following a competitive contest of which he was the winner. Robert was sponsored by the American Institute of the City of New York, a 111-year old organization interested in promoting opportunities for youthful science workers. The Institute has organized Science and Engineering Clubs in high schools throughout the country.

Donor of the award was the Veteran Wireless Operators' Association, which has established a series of awards in honor of Marconi. Robert's Scholarship is known as the Marconi Memorial Award. The ceremony, attended by 400 members of the Veteran Wireless Operators' Association, the American Institute and World's Fair visitors, was broadcast over a coast to coast network of the Mutual Broadcasting System. Robert T. Pollock, President of the American Institute, presided. William J. McGonigle, President of the Veteran Wireless Operator's Association, introduced the organization's Marconi Memorial Award Chairman, J. R. Poppele, who made the presentation.

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## "STATIC-LESS" RADIO TRYOUT

Plans are being made for extensive testing in New York City of "static-less" or "frequency-modulation" broadcasting by the National Broadcasting Company and the Bell Telephone Laboratories, as soon as the Federal Communications Commission gives the necessary construction permits.

Static-less boradcasting, compared with the usual kind of broadcasting known as "amplitude," has become synonymous in the last few years with the name of Major Edwin H. Armstrong, radio inventor and Professor of Electrical Engineering at Columbia University.

On numerous occasions during thunder storms, he has shown that a program can remain clear despite the noises of nature.

W2XMN, the Armstrong Station, at Alpine, N. J. works on about seven meters, or 42.8 megacycles.

If the FCC approves, a 1,000-watt frequency-modulation station will be installed on one of the top floors of the Empire State ilding. The NBC channel will be 42.6 megacycles, adjacent that of XMN at Alpine.

The Bell Laboratories station will be installed at Whippany, N. J., where a corps of engineers will study the "frequency-modulation" problem in all its angles, independently of the work of other experimenters it was said.

Other applications now beofre the FCC, all on the Armstrong system, include a station for Stromberg-Carlson Telephone Manufacturing Company, at Rochester, N. Y.; the Traveler Company, Hartford; The Milwaukee Journal and the Worcester (Mass.) Telegram. Construction permits have been issued to various other experimenters both here and in the Middle West. Besides W2XMN at Alpine, three or more other stations are transmitting daily from various New England points.

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## TAFTS GET CINCINNATI STATION

Agreement was reached for the sale of WKRC, Columbia's owned and operated station in Cincinnati, to the Cincinnati Times-Star. The sale will beomce effective on September 24 - subject to FCC approval. On that date, Columbia Network programs broadcast in Cincinnati will be aired from WCKY, Columbia's recently-affiliated 50,000-watt outlet in Cincinnati.

Negotiations preliminary to the sale of WKRC were under the direction of M. R. Runyon, CBS Vice-president, and Hulbert Taft, publisher and owner of the Times-Star.

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## MUTUAL GETS WORLD SERIES

Exclusive broadcasting rights for the 1939 Baseball World Series were secured by the Gillette Safety Razor Company of Boston, Massachusetts, and the Mutual Broadcasting System. The contract was signed by the three contracting parties - Commissioner Landis for Baseball, President J. P. Spang, Jr., for the Gillette Company, and general manager Fred Weber for the Mutual Broadcasting System. The World Series will probably start on October 4.

The Gillette Safety Razor Company and the Mutual network also have an option on the 1940 World Series broadcast rights. The money paid baseball for the broadcasts will be divided in the World Series regular money pool, with the major portion going to the players.

The Mutual System announced that the network would link more than 150 stations by its network of wires to carry the broadcasts to the fans of the nation. In 1935 and 1936, the games were sponsored on the three networks - Mutual, CBS and NBC, by the Ford Motor Company, for which baseball was paid $100,000 each year.

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## CHEAPER TELEVISION SETS URGED

Sales of television sets will receive their greatest impetus when the industry develops a receiver offering a five by seven inch picture, to retail at about $250, Ernest H. Vogel, Vice President in charge of operations of the Farnsworth Television and Radio Company, said in New York last week.

Mr. Vogel, who spent considerable time in London late last year, estimated that about 15,000 television sets are in operation in that area. He praised the quality of the English programs and said that the entire operation of televisising broadcasts three or hours a day, seven days a week, was conducted at an annual cost of about $1,500,000. Mr. Vogel was attending the showing of the new Farnsworth radio and television line at the Hotel Park Central, under the sponsorship of the Warren-Norge Corporation, local distributors for Farnsworth.

Another necessity for a greater consumer acceptance of television is better programs, Mr. Vogel continued. But, he pointed out within a year television programs will be eminating from ten or twelve major points in the country. He also expressed the belief that the desired goal of the cheaper sets may also be achieved within a year and the combination should bring about a sharp spurt in sales.

Mr. Vogel said there has been nothing discouraging in the slow reception to television sets since they were introduced about three and a half months ago. While probably no more than 1,500 sets have been sold, he pointed out, the industry had to go through a definite experimental stage.

He was confident that the American television industry will be able to solve all its problems, because the English system has been making rapid strides in the last year. In Great Britain, nine-

inch tube sets, without radio chassis, have become available at £30, or approximately $150, he pointed out, while those with chassis are selling at £45, or about $225. Because of higher wages and standards of living here, the equivalent American prices for similar equipment would have to be $225 to $300, he said.

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LARGE UNIT LEASED IN N. Y. TELEVISION PLAN

Plans for expanding the facilities of the Radio Wire Television Corporation of America were announced when the company leased two floors in 250 West Fifty-seventh Street, in New York. The company, formed recently by the merger of interests in radio, television and wire broadcasting, will have 15,000 square feet for executive headquarters for the parent concern and its subsidiaries.

The two floors formerly housed Electrical Research Products, Inc., which was headed by John E. Otterson, President of the new corporation, engineering laboratories and studios.

Mr. Otterson said the company planned to open branches in major cities and expected to increase the number of its employees from 600 to 2,000 by the end of the year.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF AUGUST 22, 1939



No. 1151

August 22, 1939.

U. S. TO LEAD WITH 150 RADIOBEACONS BY END OF YEAR

Ever since the trial of radiotelegraph apparatus on San Francisco Lightship in September of 1809, a month prior to the first demonstrations by Marconi in the United States, the possibilities of utilizing radio in the work of the Lighthouse Service have been receiving increasing consideration. This has been particularly true in recent years with the great developments taking place in the radio art. Present important applications are:

Radiobeacons on ship and shore stations; radio control of aids remote from the point of control; distance-finding through synchronized radio and sound signals; unattended marker radiobeacons on fixed or floating aids; radiotelephone communication and radiotelegraph communication.

The development of these applications is well illustrated by the growth in number of radiobeacons from three in 1921 to an unexpected 150 by the close of 1939; by the use of radiophone communication up to the same time at nearly 200 locations; and by the introduction of distance-finding by the method of synchronous signals at some 100 stations.

Radiotelegraph is used at about 60 stations and vessels. Radio control, which offers possibilities of particular value under certain circumstances, has been well developed through experience since 1930 in the control of 2 important lighthouses and 1 lightship without resident personnel and the use of unwatched secondary radiobeacons or "marker beacons," so-called, now undergoing trial at 2 shore stations together with the test application of this type of radiobeacon to a buoy offers important possibilities for further application of these aids in supplementing the primary radiobeacon system.

The limited wave band, 285 to 315 kilocycles, available for radiobeacon use has introduced important problems of synchronization, timing, monitoring, etc., to avoid interference. As the group of minor radio aids is extended, however, increasing interference difficulties are foreseen so that steps have been taken to secure assignment of suitable high frequencies and to institute development along these lines in order to be prepared for their possible necessary use in the future.

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FIGURES MINIMUM TELEVISION TIME $525 AN HOUR

The probable cost of television advertising is dealt with in the second of a series of articles by Daniel S. Spector in the Editor and Publisher (Aug. 19). In developing his theory he writes:

"There is set up a period of four months during the first year's activity of the television broadcasting station for internal or closed circuit programs to train the operating and talent personnel and build interesting programs. During this "closed" period the programs are completely carried out and are transmitted not to the public but exclusively to the station itself. The technical, artistic and other phases of the program are then reviewed critically and an effort made to improve the quality of the programs which are later to be transmitted to the public.

"It is further assumed that during the remaining eight months of the first year, the station will operate one daytime hour and two evening hours, five days each week. During the second and perhaps the third year, the total station broadcast activity is assumed to comprise two daytime hours and two evening hours six days a week, for 12 months.

"It is not contemplated, however, that the total broadcasting time of the station will be sold to advertisers or paid for by other commercial sponsors. This would not be feasible nor socially desirable. A certain amount of time would necessarily be devoted by the station to studio or other programs of a non-commercial nature.

Mr. Spector said that based upon the estimate of costs previously set forth of about $120,000 for the station, with an additional total operating cost for the first year of approximately $150,000 and a second year cost of approximately $228,000, then a normal capitalization for such an enterprise would be about $300,000.

"Therefore, the grand total of all station operating costs the first year," Mr. Spector continues, "would be the figure of $150,000 previously set up, plus the figure of $25,000 depreciation and $75,000 return on captial, making a total of $250,000. This is the amount of gross income required by the broadcasting station to cover the costs set forth. During the second and third years, this required amount would be increased from $250,000 to $328,000, due to the increase in the cost of talent and other programs material from $78,750 for the first year to $156,000 in the second and third years.

"A quick method of determining the minimum selling price per hour of television time to the commercial sponsor is, of course, to divide the total station cost per annum by the number of commercial hours sold. This amount, if secured for all the available commercial hours, would also take care of the non-commercial time of the station's broadcasting activity.

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"During the first year, therefore, with a total estimated station cost of $250,000 and a total commercial activity of 175 hours, the minimum selling price per hour would be about $1,430. During the second year, with a total estimated station cost of $328,000 and a total commercial activity of 465 hours, the minimum selling price per hour wouldgo down to about $700.

During the third year, with a total estimated station cost of $328,000 and a total commercial activity of 624 hours, the minimum selling price per hour would be about $525.

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SECRET S. W. COMMUNICATION WITH GERMANY ALLEGED

It was testified at the Dies Congressional hearing of un-American activities that specially equipped short-wave sets were given as prizes by the German-American Bund for secret communication with Germany.

Miss Helen Voorys of Brooklyn, native-born German, said she learned from members of the student group and from other sources that the Nazi Institute for Germans living abroad, which operates from Stuttgart, gives courses in sending and receiving short-wave radio broadcasts and that over such a system two Harvard-student members of the group had conversed with Nazi officials in Germany.

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NAB GRAPPLES WITH CODE

Hot weather apparently has no terrors for the National Association of Broadcasters' Committee, which will meet in New York city this week to discuss copyright, the new code and record licensing.

On Wednesday, the Executive Committee will meet with the Copyright Negotiating Committee, augmented by Walter Damm, WTMJ, Milwaukee, and John Shepard, 3rd, the Yankee Network, to discuss the whole copyright situation and the forthcoming special NAB convention at Chicago. The negotiating committee includes Major Lenox Lohr, NBC; Adward Klauber, CBS; Sam Rosenbaum, WFIL; John Elmer, WCBM; and Neville Miller, President of NAB. The special committee on phonograph record licensing appointed last week consists of: Mr. Miller; Mr. Elmer, WCBM, Baltimore; and Clair McCollough, WGAL, Lancaster, Pa.

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## L. A SEEKS ANOTHER TELEVISION STATION

A construction permit has been applied for from the Federal Communications Commission for a new television broadcast station on the frequencies of 78000 to 84000 kilocycles with aural and visual power of 1 kilowatt, to be located at Wilshire Boulevard at Fairfax St., Los Angeles, Calif.

The applicant is the May Department Stores, a large concern in that city. The only television station now licensed to operate on the Pacific Coast, according to the Federal Communications Commission, W6XAO is also in Los Angeles. It is operated by the Don Lee Broadcasting System, with a visual power of 1 k.w. and aural power of 150 watts.

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## S. W. USED IN MISSISSIPPI CONTROL SURVEY

For the purpose of conducting an experimental program of research in connection with the determination of the feasibility of establishing a coastal harbor service on the Mississippi River and tributaries, the Federal Communications Commission has granted the Radiomarine Corporation of America permission to operate its experimental station W10XG aboard the Tow Boat Alex Mackenzie.

Frequencies of 2118, 4422.5, and 6425 kilocycles have been authorized with 75 watts power. The Commission also granted W10XG additional authority to communicate as a ship station with Coastal Harbor Station WAY.

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## SWISS DICKER FOR LEAGUE STATION PROGRESSES

Further steps will be taken this week by the Swiss Government to take over the League of Nations broadcasting station at Berne.

Under the 1922 convention between the League and Radio Suisse the latter corporation is nominally the proprietor of the station. However, all apparatus was set up at the League's expense and remain League property.

The same convention also provides for operation of the station by Radio Suisse in normal times but specifies that in emergencies it would come under the League's direct control.

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NEWLY PAINTED OFFICE WHEN MR. FLY ALIGHTS

A newly painted suite of offices (the same as occupied by the former incumbent undecorated) awaits the official coming of James L. Fly T.V. A's general counsel, who will be sworn in as the new Chairman of the Federal Communications Commission Friday, September 1st.

Although appointed sometime ago Mr. Fly has not yet visited the Commission. There is naturally considerable apprehension among the personnel about any possible changes but up to now Mr. Fly has kept mum on this subject. Also except in a very general way has not committed himself with regard to future FCC policies.

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PROTEST TAX ON TELEVISION SETS

Claiming that the consumer would have to pay double M. B. Sleeper, District Sales Manager of the Andrea Radio Corporation writes the following protest to Radio Today:

"There is undoubtedly, justification for the Federal excise tax on radio sound receivers. However, the application of this tax to television receivers is quite another matter.

"Manufacturers of television sets are bending every effort to bring down the cost of the receivers so as to make them available to the greatest number of people, and to encourage the growth of this new industry. At this time, when prices are necessarily high, the excise tax puts a serious burden on the buying public.

"Because of the setup of the exicse tax on radio sets, the 5 per cent tax paid by the manufacturer costs the consumer, for example, $30 on a $600 receiver. In other words, the tax costs the consumer twice as much as the amount actually paid to the Federal Government. The reason is this: The manufacturer figures his selling price, including excise tax, is $300. On that basis he pays the government $15 or 5 per cent of his selling price Since the jobber must have, ordinarily, a 50 per cent discount from the list price, that would make the list price $570.

"From this you will see that the cost to the consumer is not merely the $15 tax received by the Government. The cost of this tax is actually $30. Experience in the merchandising problems of radio dealers and manufacturers will tell anyone, without any elaboration on my part, that there is a tremendous difference between a list price of $600 and a list price of $570."

"Even on the lowest-price reciever which we manufacture, listing at $189.50, the elimination of the Federal tax would save the retail purchaser $10. One can see how much it would contribute toward reducing sales resistance if we could offer the same set at a price of $179.50."

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INTERIOR DEPARTMENT HAS FINE STUDIOS

There are two studios and a control room, as well as a conference and audition room, artists' lounge, waiting room, and offices, all air-conditioned in the up-to-the-minute broadcasting unit of the Interior Department in Washington The rooms are appointed in chromium and leather furniture and fittings.

Modern acoustic treatment of the studios insures their being acoustically isolated from external noises and in addition "live" enough to render good pickup. The studios are, as described in Broadcast News, "floating"--the floors of cork tile. The small studio is designed chiefly for speakers or interviews. The large production studio is 40 feet long. It has an observation gallery which will seat 50 persons. Both studios have double entrance doors providing a "sound lock" which will keep out extraneous noises in case it is necessary for someone to enter or leave during a program. Warning lights are located next to each door to indicate when that studio is on the air. Similar lights are also located in each studio indicating "Standby" and "On The Air". In each studio is a loudspeaker for cueing and talk-back and auditioning.

The control room is located between the two studios with large double-glass windows allowing easy view into each.

The speech input equipment is RCA De Luxe. There is an operator's console at each of the two studio windows. Each console contains a four position mixer, volume indicator, microphone and attenuator switches, and switches for cueing and programs and auditions. High level mixing is employed; a 41-C and a 41-B providing the necessary preamplification. A monitoring loudspeaker is mounted directly over each console. These speakers and the studio speakers are all controlled by interlocking relays and switches which prevent acoustic feedback. Talkback microphones allow the program director or the operator to speak to those in the studios.

The main program amplifier is a 40-D and the main monitoring amplifier is a 94-C. There are also three 82-A monitoring amplifiers. Switching equipment is provided for feeding the output of the program amplifier to one or several telephone lines for transmission to commercial broadcast stations. Terminating equipment is provided for twelve remote lines and order wires.

A separate rack mounts four all-wave receivers whose outputs are connected to busses which distribute the four programs

from the receivers, as well as any studio program, to various points in the Interior Department building. At each of these points any of the programs may be selected and the volume may be adjusted to any desired level.

Jacks have been provided for patching where necessary but the regular program circuits are normalled through. Microphones are 44-B velocity and 50-A inductor types. All the racks have been finished in an attractive gray with chromium strips and fittings. Meters have illuminated faces. A volume indicator has been provided for adjusting the program level on the busses. Provision has been made for future expansion of the technical facilities.

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## CUBANS APPRECIATE U. S. WEATHER BROADCASTS

Daily broadcasts respecting weather conditions in the vicinity of the southern portion of the Florida coast, made by radio telephone from the Coast Guard depot at Key West, are greatly appreciated by the fleet of Cuban fishing boats which operate in the general vicinity of that coast, according to a letter received by the superintendent of light houses at Key West from Senor Gabriel Palmer, President, Empresa de Pesca S. A., of Casa Blanca, Havana, Cuba. The fishermen from the Cuban port operate in a part of the Gulf of Mexico to which the Key West weather broadcasts are applicable, yet speak only Spanish. As a mark of international goodwill the Coast Guard announcer delivers his messages first in English and then in Spanish.

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## AS GOEBBELS SEES BROADCASTING DUTY

Broadcasting has the duty, wherever it may be required, to start beating drum and fighting from the very beginning Dr. Goebbels, Minister of Propaganda, declared in Germany recently.

"To help in this is an honourable and political duty," the Minister concluded. "Broadcasting must stand at its post to fight against lies and misrepresentations, and is, next to the Press, the sharpest weapon in the battle of our people. May broadcasting always remain so, and may it continue in future to broadcast the voice of the Fuhrer which awakened the nation, and to-day calls the whole world back to reason!"

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## TRADE NOTES

Stations WIDD-WMBF, Isle of Dreams Broadcasting Corporation, of Miami, seek to install a new transmitter, directional antenna and an increase in power from 1 to 5 kilowatts.

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The Crosley Radio Corporation of Cincinnati has been granted authority to operate a 50-watt portable transmitter with 100 feet vertical antenna, on the frequency of 1360 kc in order to make preliminary field survey of the proposed site of station WSAI.

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No purchase price was revealed but it is said the Cincinnati Times-Star paid Columbia in the neighborheed of $250,000 for Station WKRC in Cincinnati.

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In the "World Radio Markets" series issued by the Electrical Division of the Bureau of Foreign and Domestic Commerce, John H. Payne, Chief, reports on Egypt, Martinique, Palestine, and Guatemala, have just been distributed.

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Elliott roosevelt, son of President Roosevelt, whose regular talks over WOR-Mutual three times weekly have been heard only in the East and Texas, will be extended coast-to-coast September 2. He is heard on Tuesday, Thursday and Saturday at 6:15p.m. EST, over WOR, New York and 24 other Mutual Stations.

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Two million eight hundred and eighty thousand sets were sold in Germany during the past season, compared with 1,576,430, in the year before.

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The WLW transmitter at Cincinnati went off the air four minutes, one afternoon, recently, in an odd accident. According to Joseph Whitehouse, WLW Engineer, a praying mantis crept into a 12,000-volt vilter condenser in the basement of the transmitter building at Mason, Ohio, and caused a short circuit. A discharge of 220 microfarads of energy from the condenser produced a sound like a thunderbolt.

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## TO FIGHT BROADCAST RECORD LICENSING

The National Association of Performing Artists, through its general counsel, Maurice J. Speiser, has served notice on the R.C.A. Manufacturing Company, Inc., that it would "legally resist" the company's proposed plan to license its Victor and Bluebeard phonograph records for radio broadcasting purposes.

At the same time the association, headed by Fred Waring, whose membership includes Paul Whiteman, Al Jolson, Lawrence Tibbett, Bing Crosby, Rudy Vallee and Jascha Heifetz, warned individual radio stations that the proposed R. C. A. plan had not been authorized by the artists and that "use of any of these records without a license duly obtained from us will be entirely at your own risk."

The sending of the letters by the association brought to a head a controversy that has existed between the performers and the company since July 26, when Federal Judge Vincent L. Leibell handed down a decision restraining Station WNEW from unregulated broadcasting of R C.A. phonograph records.

In his decision Judge Leibell ruled that the artist making the record, by his artistic and intellectual performance, acquired a common law right in the records, which he retained unless it was transferred by contract. The decision, however, did not give the individual artist the right to license broadcasts without the permission of the manufacturer.

After the decision had been handed down, the R.C.A. Manufacturing Company sent a letter to radio stations announcing its proposed plan to license all Victor and Bluebird records for broadcasting purposes, and saying that a percentage of the license fee would be given to the artist whose records were used.

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## U.S. RECORD CORPORATION ELECTS OFFICERS

The United States Record Corporation of New York, has selected the following officers:

Charles M. Hemenway, President; Eli E. Oberstein, Vice-President; Lowell A. Mayberry, Treasurer; and Mortimer S. Gordon, Secretary.

The Board of Directors consists of:

Charles M. Hemenway of Paine-Webber & Co.; Raymond S. Pruitt, attorney for American Airlines; Sydney Newman, of Boston, Mass.; Wesley Simpson, President of Wesley Simpson, Inc., textile manufacturers; Eli E. Oberstein, formerly of R.C.A. Manufacturing

Co. and Columbia Phonograph Co.; Lowell A. Mayberry, of Palm Beach, Florida and S.VP. Quackenbush, President of the Quackenbush Warehouses, Inc., Scranton, Pa.

The guiding lights in back of this company, which is closely affiliated with the Scranton Record Manufacturing Company, according to a press statement, are the above men plus:

Allan H. Sturges, President of the Pilgrim Trust Co. of Boston; William L. Hutcheson, General President of the Carpenters' Union; Dr. Noble, President of the First National Bank of Scranton, Pa.; Weston Scranton, President of the Scranton Iron and Steel Mills; and Louis Oppenheim, President of the Scranton Dry Goods Co.

The United States Record Corporation, whose address is 1775 Broadway, New York City, is merchandising "Varsity," a 35¢ record and "Royale," a classical record at 75¢ to $1.25. The initial catalog includes over 700 standards, it was said, and classical selections. Production and deliveries from the factory at Scranton are being made at once, the press statement concludes.

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CBS NEWS SERVICE NAZI-SOVIET TRADE PACT SCOOP

"An eight-day scoop in the world of international events was scored by Albert L. Warner, CBS Washington correspondent, when Germany and Soviet Russia signed the reciprocal trade agreement Sunday, August 20, a Columbia press release sets forth."

"Speaking on Saturday, August 12, in his regular series 'This Week in Washington,' heard from 6:30 to 6:45 p.m., Warner revealed that a cable had been received from Europe which indicated that the trade agreement was about to be signed," the CBS release reads. "He added that this might have the effect of nullifying the sense of unity which Great Britain and France and Russia had been showing in the past.

"Warner has been Washington correspondent for CBS since early this year, coming to Columbia after many years in charge of the Washington bureau of the New York 'Herald Tribune.' His weekly series originates in WJSV, Washington."

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WING, DAYTON, JOINS NBC

Station WING, Dayton, Ohio, will join the National Broadcasting Company on September 10, 1939, as a supplementary outlet, bringing the total number of NBC affiliates on that date to 172, according to an announcement by the company.

WING, owned and operated by WSMK, Inc., operates on the 1380 Kc. channel nighttime power of 250 watts Network rate for WING is $140 per evening hour.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF AUGUST 25, 1939



No. 1152

WHEELER TO AGAIN RUN FOR SENATE

While not making it clear whether he had his eye on either the White House or the Vice-Presidential chair Senator Burton K. Wheeler of Montana in Los Angeles this week in dodging these embarrassing questions tipped his hand to the extent of acknowledging that he proposed to run again for the Senate. This is of interest to the radio industry because Senator Wheeler, whose term expires in 1941, as Chairman of the Senate Interstate Commerce Committee is the No. 1 Radio Man at the Capitol. Not only does this committee pass on all radio legislation but it acts upon the confirmation of every member of the Federal Communications Committee.

One of the leaders in the Supreme Court Fight Senator Wheeler, a Progressive Democrat, clashed with President Roosevelt but later, things were patched up to the extent that he might run with Roosevelt on the Vice-Presidential ticket as he did with the late Senator Bob LaFollette, of Wisconsin, who sought the Progressive Presidential election back in 1924. Senator Wheeler, on the other hand, has repeatedly been mentioned as a Presidential candidate for 1940. Having been the tail of one national ticket he is considered by many to be strong enough to head the ticket this time.

Wheeler, who is now 57 years old, has been in the Senate ever since 1923. During the past session Senator Wheeler was the sponsor of the so-called McNinch bill the object of which was to "purge" the present 7-man Communications Commission, whose members had been fighting among themselves, to a 3-man and more easily controlled body. Cries of "dictatorship" were raised and Senator Wheeler, apparently never enthusiastic over it, quietly shelved the legislation. He is believed likely not to revive it next year on his own initiative .

Mr. Wheeler said in Los Angeles that while he opposed a third term for President Roosevelt, he felt that much of the legislation adopted in the past seven years, such as the WPA, PWA and aid to farmers, should be retained lest a "radical party arise in 1944."

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## McCOSKER WROTE CHAPLIN'S FIRST RADIO SKIT

Apropos Charles Chaplin, one of the most famous stars of the silent film, blossoming forth in his next picture with a speaking part it is now revealed that the author of the radio skit in which "Charley" Chaplin first appeared was none other than Alfred J. McCosker, now head of Station WOR in New York and President of the Mutual Broadcasting System.

"I wrote the act," Mr. McCosker said when asked about it by a person who was delving into happenings in the early days of broadcasting . "It consisted of a series of introductory subjects such as Charlie Chaplin saying, 'I will now play a violin' -- 'I will now play a cornet' -- 'I will now play a bass drum' -- saxaphone -- banjo -- piano, etc., and concluded his whimsical performance by simulating great enthusiasm in saying, 'by golly, I think I will play them all together.'

"At the time the act made radio history and Chaplin's appearance before the mike continued to be catalogued as a scoop because he did not again go on the air for a period of five years. I believe his second appearance was in connection with the Dodge Bros. program which used 'All America' as a studio; the idea being to pick up celebrities at various points throughout the country."

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## RMA NEW YORK OCTOBER MEET

Meetings of the Radio Manufacturers Association Board of Directors and probably of the receiving set, tube, and other divisions now are being planned during the first or second week of October in New York City. Because of summer vacations and other engagements, the RMA Directors' and other Association meetings, tentatively scheduled in mid-September, have been deferred until early October.

The trade practice rules for the radio industry, promulgated by the Federal Trade Commission last month, have developed widespread interest in radio and also other industries, some of which also have merchandising codes under the Commission's trade practice procedure, it was said.

Radio trade press comment on the industry's rules generally has been favorable. Thus far there has been little reaction indicated from manufacturers who are apparently awaiting the New York fall meeting of the RMA to consider the new merchandising practices laid down by the Commission as governing law. Sentiment of manufacturers apparently is slow in crystalizing, in view of the legal problems and opinions required. Trade Commission officials report considerable interest of radio dealers in the new rules. A number od companies have sent copies of the rules to their distributors.

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## HOUSING CENSUS TO INCLUDE RADIO

New government statistics on radio ownership probably will be secured, through cooperation of the Census and the Radio Manufacturers Association, National Broadcasters Association and other industry organizations, although the decennial and general population census of 1940 will be limited. The RMA has been advised that radio ownership data may be secured under a new national census of housing, authorized by the last Congress with an appropriation of $8,000,000.

The Federal Housing Census will include "utilities and equipment" and will be a national, not a sampling census, with full coverage of the items included. Arrangements are being made by RMA and NAB to secure as complete radio ownership statistics as possible in the new census.

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## GIGLI GETS LAUGH ON MET AUDITIONS

An amusing trick Beniamino Gigli, famous Italian opera singer, is said to have played on the Metropolitan Opera Company last winter is revealed by Variety.

Just prior to his first Ford broadcast the tenor disguised himself and entered the Metropolitan Auditions of the Air as a contestant. He sang before a committee composed of an NBC representative, Pelletier's secretary and John Erskine. The singer was informed that his voice needed more polishing and that he was not ready for the Metropolitan.

The aria Gigli chose for his audition was the 'Dai campi, dai prati', from 'Menstofele', the role in which he made his debut in the Metropolitan in 1921.

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## HATHERLY BEACH IS NEW WORLD-WIDE SITE

The World-Wide Broadcasting Corporation has applied for a construction permit for its short-wave station from Boston to a new site known as Hatherly Beach, near the town of Scituate, Mass. The call letters of the World-Wide short-wave station have been changed from WIXAL to WSLR.

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SEES GOVERNMENT REMOLDED BY RADIO

The art of government is being remolded by the powerful tool put into its hand by radio broadcasting, Dr. J. H. Dellinger of the National Bureau of Standards declared in a noteworthy address at the Benjamin Franklin Institute in Philadelphia. The potential control of human relations through entirely new possibilities of mass psychology, he declared, pointing to the relation of this to amplifier and the loudspeaker.

"Radio is a younng science", Dr. Dellinger said, in addressing his Philadelphia audience. "It got its start in life by borrowing heavily from its friends both the small change of instruments and techniques and the large bank credits of basic principles and new discoveries. Has it discharged its early debt, and does it pay its current bills for services rendered today by its fellow sciences?

"Like man, no science liveth unto itself alone. Radio science makes constant use of the techniques and principles of other sciences. To illustrate: the understanding and development of antennas depend on knowledge of physical optics and the theory of wave radiation. The evolution of the electron tube employs the sciences of electrostatics and electrodynamics. Radio devices in general depend on the principles of alternating currents. Insight into radio wave propagation comes through study of electrons, photo-ionization, and the composition of matter as it exists in the high atmosphere.

"But the borrowings of radio are far outweighed by the returns it is able to make not only to the sciences, but to the arts and many other branches of human activity. Everyone knows how radio contributes a useful tool or technique to many of the useful arts and some of the fine arts."

Dr. Dellinger said the elimination of the problems of auditorium acoustics is remaking the arts of oratory and singing. To the finest of the arts, music, new vistas are opening through new types of musical instruments and extensions of ranges and controls, all provided by radio techniques.

"Time measurement has been made so precise by radio devices as to reveal an effect of the motion of the moon on the rate of accurate pendulum clocks and even to discover variations in the rate of rotation of the earth on its axis. The art of the physician is notably advanced by radio-frequency devices which permit treatment in the very interior of the tissues of the human body. Television has become a reality through the development of photoelectric and cathode-ray tubes," the speaker continued.

"A single radio device, the electron tube, has grown so great that politicians squabble over it. In recent patent litigation, the Attorney General of the United States said this "is the key device which is essential to the operation of modern telephone and telegraph wire networks; to radio transmission and reception; to sound motion pictures, to the transmission and reception of images by television or wire photography; to public address systems;

to diathermic medical treatment; and to electric power transmission. There is no substitute for it, and without it the modern electronics industry could not function."

"The C. And P. Co. recently published the following statement under the title, 'The Voice of Stentor':

If you were to make a telephone call around the earth (as has been done for experimental purposes) your voice would be amplified approximately 1,000,000,000,000,000,000,000,000,000,000,000, 000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000, 000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000, 000,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000, 000,000,000,000,000,000,000,000 times."

"Though you may read this statement you can not remotely realize it," Dr. Dellinger concluded. "A billion dollars is such a vast sum as to be quite beyond our comprehension, yet see what a puny part of this figure a billion is. I know of nothing na mathematics or physics more impressive."

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## LOUD FRONT PORCH RADIO BRINGS COPS

Philip M. Hamilton, of Silver Spring Md., likes to sleep on his front porch while his radio plays full blast, especially at 1:30 a. m.

But neighbors don't like it. Yesterday they calledpolice Officers Frank Lane and Paul Watkins responded. They crept up and turned the music off.

In the quiet that came, Hamilton awoke. He asked where the music had gone. Someone in the house said the police had come and turned the button. Hamilton called the police to know why his concert had been stopped. The police returned with a warrant.

Hamilton faces Magistrate Ralph Shure next Tuesday morning in the first case under the month-old night anti-noise law. The law provides fines up to $50.

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## U. S. LONG WAVE STATIONS HEARD IN EUROPE

Sone of our long-wave stations, notably WOR, Newark, WTIC, Hartford, WBZ, Boston, and WCAU, Philadelphia are reported as being heard in Europe as far north as Ireland at this season of the year.

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which reached from a window."

The boy told Judge Hobart Newman that about two years ago while he was in the rear of the radio store, a note was dropped from a window which asked:

"Do you want to make some money? If so, yell Yes."

He said he complied with instructions and found a radio in the trash. After disposing of this set, he said he handed part of the money through a window to "the hand."

During the two-year period which the thefts occurred, it was said that 57 radios and one vacuum cleaner were stolen. Jones, a porter at the store was given 20 days on each charge after he pleaded not guilty.

The case of his young accomplice will be heard in Juvenile Court.

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## TRADE NOTES

Ralph Thomas, Montauk Highway, Quogue, N. Y. (Station W2XO) has been granted special temporary authority to operate a station of 1 kw. power for the purpose of conducting experimental communication with aircraft NX-19904 during proposed flight from Los Angeles to New York and New York to Paris and return.

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A plan for bringing new blood into the artist-management field will be undertaken by George Engles, founder of the NBC Artists' Service. Various department managers in the NBC will recommend candidates from within the company for an intensive training course in the management and sale of artist talent.

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All RMA members are invited to have representatives attend the next luncheon meeting of the Eastern Credit Committee on Wednesday, August 30, at the Hotel New Yorker, New York City.

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Baseball fans abroad will have an opportunity to follow the World Series, play-by-play this year when the game broadcasts- an exclusive Mutual network feature - are also aired over the facilities of Station WIXAL in Boston on 11.79 and 15.13 megacycles.

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## CAPITAL STATION SUED FOR $150,000 LIBEL

Natie Brown, pugilist, went to law to establish once for all that Tony Galento really did knock him out when they fought in Detroit last February 3. Natie asked the court to make the American Broadcasting Co., of Washington, D. C. and Tony Wakeman, WOL sports commentator, pay him $150,000 for telling the radio audience that he took a "dive."

Natie's complaint for slander began with a modest account of his career in the ring, pointing out that in his 233 bouts he has been stretched on the canvas only five times. One of these unhappy occasions was in the fourth round of his bout with Galento.

Natie charged that Wakeman took advantage of this incident to injure him in his "good name, fame, credit and professional business" by saying such things as "any person who would take a dive for a bum like Tony Galento should go and drown himself in the middle of the ocean." Also, Natie complained, Wakeman accused him of taking the dive "for a valuable consideration."

The sport commentator did not stop with that, said Natie, but filled the air with "many other false and malicious statements" about the Galento fight. Natie figured that the damage to his good name, fame, etc., entitled him to a judgment for $75,000 and that he ought to have $75,000 more in the way of punitive damages.

The radio station's point of view was expressed in a final letter from its attorney, H. Russell Bishop. He said, in substance, that he couldn't see where anything Wakeman had said had done Natie any harm and the radio company was not going to pay any damages.

Wakeman said that he had not uttered the statements attributed to him by Brown's suit, and that his editorializing on the Brown-Galento fight had consisted of quoting from Detroit newspapers. He added that his script had been "carefully checked" by WOL officials "in accordance with restrictions put down by the Federal Communications Commission."

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## MYSTERIOUS RADIO HAND GETS 240 DAYS

Accused of owning the hand which reached from a Washington, D. C. radio store window to accept profits from sales of $1,000 worth of stolen radios, Ivory M. Jones, colored, 20, was sentenced to 240 days in jail on 12 petit larceny charges.

A 16-year-old boy, who testified in Police Court he had never seen Jones, admitted selling "quite a few" radios which he found in the trash behind George's Radio Co., in northeast Washington, and turning over part of each sale to "a dark-skinned hand

which reached from a window."

The boy told Judge Hobart Newman that about two years ago while he was in the rear of the radio store, a note was dropped from a window which asked:

"Do you want to make some money? If so, yell Yes."

He said he complied with instructions and found a radio in the trash. After disposing of this set, he said he handed part of the money through a window to "the hand."

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## STATION WCAI CHANGED AGAIN; IT'S WCAB NOW

The call letters of Columbia's short-wave station WCAI (formerly W3XAU) have again been changed. This time to WCAB.

The reason for the change is that the sound of "WCAI" when pronounced in certain foreign languages is too close to that of "WCAE," letters already assigned to a station in a regular broadcast band.

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## NBC THANKS PRESS FOR EUROPEAN COOPERATION

The National Broadcasting Company took a full-page advertisement in the August 26 issue of Editor and Publisher, thanking press associations and newspapers for their cooperation in covering the European crisis. The text of the advertisement, signed by Lenox Lohr, President of the NBC follows:

"To The Fourth Estate! The National Broadcasting Company takes this opportunity, publicly, to express sincere thanks to The Associated Press, International News Service and the United Press. . . to the American Press generally . . and particularly to those foreign correspondents whose brilliant eye-witness descriptions and on-the-spot summaries, broadcast over NBC's coast-to coast Networks have kept their fellow country-men accurately informed about the rapidly shifting crisis overseas.

"With each succeeding day, the press of America has added fresh laurels to the already high standards of journalism in the United States through its impartial, accurate and swift coverage of events abroad. By broadcasting news bulletins, interviews with key statesmen, speeches of government leaders, and interpretive comments by newspaper correspondents, both from at home and abroad, NBC has sought to maintain the highest tradition of the American System of Broadcasting."

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## CLAIMS DAMAGES FOR IDEA

Application will be made in the N.Y. Supreme Court Monday (28) by Leo Linder for permission to examine Phillips Carlin, Director of sustaining programs of the National Broadcasting Co., before trial, in connection with a breach of contract suit by Linder against NBC.

Linder seeks $25,000, claiming breach of an agreement whereby NBC agreed to pay him for an idea submitted in January, 1938, and later used, according to the complaint, in the 'Hall of Fame Presentations' or 'American Portraits'.

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## NBC SCORES ANOTHER BEAT ON RUSSIAN PACT

The National Broadcasting Company, which last yast year claimed to have relayed the text of the Munich pact to America 46 minutes ahead of all radio opposition, scored another 40-minute beat Monday night when it presented the first trans-Atlantic discussion of the reported Russo-German non-aggression treaty, an NBC press release states, and continues:

"At 8:20 p.m., EDST, only an hour and a half after rumors about the new pact began trickling over the cables, William Hillman, International News Service Correspondent in London, and Mr. Baukhage, NBC's Washington Commentator, were on the air in a two-way discussion of the treaty.

"Europeans who turned in on NBC's short wave programs Monday night heard details of the proposed Russo-German non-aggression pact negotiations about five hours before their own stations carried the news, as far as officials in the National Broadcasting Company's International Division could learn.

"Although NBC carried a trans-Atlantic discussion on the treaty at 8:20 p.m., EDST, London stations monitored at midnight made no mention of it while Berlin's commentators were still talking about the Russo-German trade pact and nothing more at 2:30 a.m. today. The only change in the regular routine of short wave broadcasts occurred at Moscow where a four-hour anti-Nazi program was replaced by musical selections."

Mr. Baukhage flew last Thursday on the Dixie Clipper to join the National Broadcasting Company's foreign correspondents Corps covering the great European crisis, These included Fred Bate in London; Max Jordan, central continental representative; Paul Archinard in Paris, and John Gunther who is at present covering the small Baltic nations.

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## CROSLEY BUYS ANOTHER BASEBALL TEAM

Passing out of the hands of one radio station owner into the hands of another, the Birmingham, Alabama Barons, baseball team in the Southern League, was sold the past week by Ed Norton, President of Station WAPI, Birmingham, to the Cincinnati Reds, of which Powel Crosley, Jr , is chief owner. The close alliance between radio and baseball is thus maintained.

Crosley made a visit to Birmingham several weeks ago, at which time he became interested in the Birmingham ball club.

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## ORGANIZATION OF MANUFACTURERS PARTS GROUPS

Eight and possibly ten groups of RMA parts manufacturers are being organized by Chairman H. E. Osmun of the Association's Parts and Accessory Division for consideration of the special problems of the different groups. Early meetings of all of the groups are planned to map out studies and action in connection with the interests of each group.

The group organization is designed to fill a gap which has existed, in the opinion of many members, for several years, and to bring executives and also other personnel of each group into closer contact for constructive action on matters of special concern to each group.

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## CANADIAN THREATENED WITH LIBEL

Threat of libel action by the Shell Oil Co. against station CKAC, Montreal on account of an attack specifically naming the company in a talk sponsored by the Retail Merchants Assn., has again brought question of liability of broadcasters into the open.

Shell Oil last week agreed to withdraw charges against station CKAC after being given free time in which to correct the impression given by the Retail Merchants, who periodically attack various large corporation policies as inimical to the interests of French-Canadians.

Premier Duplessis, who is also Attorney General for the Province of Quebec, has ruled that radio stations are not responsible for opinions expressed by time-buyers and has stated that sponsors only are liable in any damage action arising from a broadcast.

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## N. Y. STORE USES TELEVISION

Television as a means of merchandising was demonstrated last week at Bloomingdale Brothers, Inc., in N. Y., in a preview of a fashion and household appliance show, which will be open to the public on a regular schedule every day.

Motion picture films prepared by Caravel Studios were used in part of the demonstration. They showed manikins wearing the latest styles in dressed and costume jewelry. It was pointed out that a continuous performance was possible through the use of film. The household appliances were seen operated by members of the sales staff. The installation was made by the American Television Co.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF AUGUST 29, 1939



No. 1153

McNINCH MAY GIVE SECRET REPORT TO F. D. R.

Frank R. McNinch, whose resignation as Chairman of the Federal Communications Commission becomes effective this week, is understood to be drafting a report on the FCC for the private information of President Roosevelt and probably his successor, James L. Fly.

Fly will take his oath of office on Friday but probably will not actually begin work at the FCC until after Labor Day. While his designation as Chairman of the FCC has not yet been made by the President, it is expected to be announced at the White House before Fly assumes the helm of the Commission!

Reports were current in the Capital until this week that McNinch might issue a blast at his dissenting colleagues upon formally quitting the Commission! He was due to make his final call to bid his former aides goodby early this week!

Apparently, however, the retiring chairman has been advised or ordered to withhold his speech, publicly at least, and to pour it out instead in a not-to-be-made-public report to the President!

The report, it is expected, will contain a detailed alibi as to why the "purge" failed to accomplish the heralded "house cleaning" of the FCC last fall! No doubt it will lay much of the blame on Commissioners T.A.M. Craven and George Henry Payne for their refusal to go along with the chairman!

Meanwhile, the radio industry is looking hopefully to the new chairman for assurances that the Commission will settle down to a stable administration of the Communications Act, with more attention being given to the industry's problems than to publicity fanfare for individual commissioners!

While supported by Thomas G. Corcoran and the ardent New Dealers and although unfamiliar with the more intricate questions of radio administration, Fly is admittedly young and brilliant enough to make an able chairman, observers agree, if he puts his nose down to the grindstone rather than up scenting for publicity.

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"MILLION DOLLAR MARKET" SERIES STARTED BY U.S.

A new series of monographs entitled "Million Dollar Electrical Export Markets" commences with the Aug. 15 issue of "Electrical and Radio World Trade News," published by the electrical Commission of the U.S. Bureau of Foreign and Domestic Commerce. More than a score of countries, to which the United States has sold in excess of $1,000,000 worth of electrical equipment during one of the years 1936, 1937, and 1938, will be reviewed.

The purpose of these studies is to outline the statistical and economic factors affecting the American Electrical trade in our most important foreign markets. An account is given of the electrical products, the export value of which has topped the $100,000 mark in any one of the three years. This will indicate to the American exporter which classes of merchandise enjoy the best sales, and, further, the trend of sales potentialities of individual items in the various foreign fields.

The United Kingdom is the subject of the initial monograph. A different million-dollar market will be reviewed in each subsequent issue of this publication.

"The United Kingdom has erected no trade barriers to hinder the American exporter," the first article states. "On the contrary, through the medium of the present Anglo-American Trade agreement, more favorable trade relations have been made possible."

The following table shows the relative values of the most important classes of radio exports (limited to those which have attained a value of $100,000 or more during any of the three years shown):

(Value in Thousands of Dollars)

| | 1936 | 1937 | 1938 |
|---|---|---|---|
| Radio Receiving Sets | 1,474 | 1,159 | 738 |
| Radio Receiving Tubes | 355 | 206 | 140 |
| Receiving Set Components | 983 | 1,158 | 857 |
| Transmitters, Speakers and | 89 | | |
| Other Rec. Set Accessories | 89 | 123 | 116 |

"The major decline has occurred in radio sets and parts, the largest class of our electrical export trade,"the article continues. "The year 1936 was a turning-point in the British market. Following the all-time record volume of U.S. radio export sales to the United Kingdom during that year, they took a decidedly downward course. Several factors still in operation brought about this change. The most important single deterrent has been the action of the British radio manufacturers, who have adopted a policy which places the imported product at a decided disadvantage. Then too, the type of radio (predominantly midget sizes) which may be sold by American manufacturers now appeals less to the British public than it formerly did. There is now a growing tendency to demand a more effective product that will offer much more extensive and better

broadcast reception than can be obtained with the type of sets which can be currently imported under existing restrictions. The above should not be construed as an indication of increased demand for radios in the United Kingdom. It merely means that those who are in the market for sets are turning from comepratively cheap midget sets to the more expensive and more efficient quality products.

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## LABOR BOARD ORDERS ELECTION IN PILOT PLANT

The Labor Relations Board ruled last week that the Pilot Radio Corporation of New York City, had violated the Wagner Act by "interfering" with the self-organization of its employes.

The board said that the corporation imposed "discriminatory conditions of employment" to encourage membership in the A.F. of L. Electrical Workers Union and discouraged membership in C.I.O.'s rival electrical workers union.

At the same time the board directed an election, on a date to be set in the future, to give the corporation's workers an opportunity to determine whether they want to be represented by the United Electiical, Radio and Machine Workers of America (C.I.O.) or the Radio Division of the International Brotherhood of Electrical Workers (A.F. of L.), or by neither.

The board said that the corporation recognized the A. F. of L. union as exclusive representative of the employes "completely ignoring" claims of the C. I. O. union.

The board also said that the corporation offered its employes a wage increase and other benefits "on condition that they would agree to join the brotherhood."

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## G. E. GIVEN LARGEST PEACE-TIME RADIO ORDER

The largest order for radio equipment in peace-time history was placed by the War Department with the General Electric Company last week. The amount was $2,678,852,all for transmitting equipment and accessories for the Army Air Corps.

The award was in two contracts, the first being for equipment for new heavy and light bombardment airplanes and the second for equipment for observation and short range liason airplanes.

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COMMUNICATIONS BUSINESS PROFITS FROM CRISIS

As a result of the European crisis, all types of quick communication with European nations, the trans-Atlantic telephone, radio and cables, have carried substantially increased loads, the communications companies reported this week, according to the N. Y. Times.

The American Telephone and Telegraph Company reported that its five transatlantic telephone circuits were handling far more than normal volume of traffic. On Friday, it was said, 312 calls were handled, an all-time record for a business day.

American Government calls have priority over all other transatlantic telephone messages, it was explained. However, the company said, its facilities were more than equal to meeting the present demand.

Until yesterday there was no interruption in trans-Atlantic telephone service. The censorship imposed by the French Government, however, broke this record. Only diplomatic calls are being accepted by France. So far no other nation has followed the French lead.

The only other interruptionin service has resulted from the refusal of some large transatlantic liners owned by the powers involved in the crisis to accept radio telephone calls from American shore stations. All shore-to-ship calls are being accepted subject to delay.

French censorship is having an effect on all forms of communication to that nation Cable and radio companies explained that as a result, messages to and from France were being delayed. Elsewhere in Europe the ways of communication were open.

The Western Union Company which owns and operates ten cables between the United States and Europe, reported a "very large" increase in the volume of press messages and a "substantial" increase in other types of messages. This company, as well as the telephone company, reported the volume of business higher than at the time of the Munich crisis a year ago.

Of the ten Western Union cables eight go via Ireland to England and thence to the Continent. The other two go to the Azores. From there one runs under the North Sea to Germany and the other to Spain and on to Italy.

The Commercial Cable Company, operators of six transatlantic cables, reported a "quite substantial" increase in business. Its cables run to England via Ireland and to the Continent via the Azores.

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Radio Communications reported a 40 per cent increase in business in the last two weeks. The increase, it was said, was larger in messages from Europe than in messages from the United States. Mackay Radio reported a volume increase since the crisis of about 5 per cent.

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## ITALY'S RADIO UNIVERSITY HOLDS EXAMS

The Italian Radio University, which was instituted last November with the object of "spreading the Italian language and culture throughout the countries of the world by means of broadcasting" held its final examinations recently. The paper was dictated before the microphone, and the candidates' answers had to be sent by post to the University Director. Candidates taking part in the course who entered for the examination numbered 28,650 and were divided into fourteen groups, corresponding to the principal languages spoken.

The first in each group is to receive a fortnight's free travel in Italy, and the next six are to receive awards of valuable works on art by well-known writers. Those who achieve a staisfactory standard of work will be given a certificate, and if they should desire to visit Italy, will receive, in addition, a card entitling them to admission to all Italy's art institutions at half-price.

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## RADIO EXPORTS RISE AND FALL DURING JULY

Exports of electrical equipment from the United States during July of this year were valued at $9,511,961, an increase of $209,456, or 2.3 percent, compared with the June valuation of $9,302,505, according to the Electrical Division, Bureau of Foreign and Domestic Commerce, Department of Commerce.

Although exports of transmitting sets, tubes and parts showed a relatively large increase from $170,562 in June to $280,847 in Jyly, all other classes of radio apparatus fell to lower levels during the month under review. By far the lowest monthly volume of radio receiving sets was sold, the total amounting to $618,890 as against the preceding month's figure of $792,729.

Shipments of radio receiving tubes declined from $277,170 to $245,065; of receiving set components from $466,591 to $430,598; of loud speakers from $73,170 to $69,587; and of other receiving set accessories from $52,637 down to $41,727.

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## TRADE NOTES

The name of Hammerstein, one of the most illustrious of the American theater, was linked with television with the announcement Friday that Reginald Hammerstein had joined the ranks of NBC television producers at Radio City. A member of the third generation of the famous Broadway dynasty founded by Oscar Hammerstein, the new NBC television producer soon will be assigned to give the legendary Hammerstein style to some musical pieces to be telecast this fall over Station W2XBS. His theatrical career began officially he says, when he became a sort of "third assistant stage manager" at Arthur Hammerstein's Victoria Theater, in Times Square.

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The following CBS sponsors have either returned their shows to the air after the summer hiatus or are presenting new programs: Chrysler, Ford, Colgate-Palmolive-Peet, Proctor & Gamble, Chesebrough Manufacturing Co., General Foods, and California Fruit Growers Exchange.

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Jay Hormel, President of George A. Hormel & Company, will take the entire cast of his Columbia network program to Austin, Minn. in September for a special broadcast from the Hormel factory. He has hired a private car, leaving Hollywood September 1, carrying with it the stars of his "It Happened in Hollywood" programs.

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James H. Hunter has been appointed Vice-President in Charge of Production of the Columbia Recording Corporation, at Bridgeport, Connecticut, it has been announced by Edward Wallerstein, President. Mr. Hunter's new duties will comprise the supervision of all manufacturing operations entering into the production of Columbia, Brunswick, and Vocalion records. During the past fourteen years, Mr. Hunter has achieved international repute in the field of plastics and electro-chemistry. He has been widely known not only as consulting engineer in this subject, but also for his significant contributions in the field of record research and production during his previous affiliation with the RCA Manufacturing Corporation, formerly the Victor Talking Machine Company.

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## 12,600,000 RADIO LISTENERS IN GERMANY

The total number of radio listeners in Germany has increased to 12,591,706 during the first six months of 1938, according to the German Broadcasting Company.

In June 10,730 listeners were added. In the total number, 827,060 people of needy means are given service free of charge, the report stated.

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## N. Y. - CUBA EXCHANGE PLANNED

A license is understood to have been granted, although the appropriate decree has not yet appeared in the Official Gazette, for the establishment of theCuba Transatlantic Radio Corporation of a re-braodcasting service for the transmittal of programs from Santiago de Cuba to New York and vice versa, according to the American Commercial Attache, Havana.

It is understood that equipment is being set up for the two-way transmission of program material and that there is a possibility that similar stations will be established in other interior points of the Island.

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## TRADE NOTE

The coverage of Station WSLR, Boston short-wave outlet, is being enlarged through the establishment of one broadcasting antennae at an improved location, just a few hundred yards from the shores of the Atlantic Ocean, according to Walter S. Lemmon, President of the World-Wide Broadcasting Foundation.

This "all water" path for the radio waves for maximum efficiency should give considerably improved reception in all parts of Europe and Latin America, Lemmon said. Diamond antennas of the latest type are being installed to direct the energy of WSLR and its associates transmitter to various areas around the globe, like giant searchlight beams. During the present month WSLR studios at the University Club are also being enlarged.

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## PROGRAM SERVICE BLAMED FOR SLOW TELEVISION SALES

According to the New York Times at the end of four months of regular telecasting in New York it is estimated that there are about 500 receiving sets "on the air." Failure of the tele-radios to move in quantities is attributed by Radio Retailing to inadequate program service.

Programs too are the life-blood of radio set sales, and the radio industry is warned that program consciousness often will lead the public to buy radios when even gadgets, price and other features fail as stimulants to sales.

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## NBC STARTS ARTIST MANAGERS SCHOOL

A comprehensive plan for filling in the rapidly-depleting ranks in the artist-management field was announced last week by George Engles, Vice-President of NBC, Managing Director of NBC's Artists Service and President of Civic Concerts Service.

According to the plan, NBC will set up an intensive training course for promising young men now employed by the Company in various capacities. Ten candidates will be selected from recommendations by department heads and from written questionnaires submitted by those seeking appointments. All this is in line with NBC's established policy of providing company personnel with opportunity for advancement,Mr. Engles pointed out.

He stated that the reason behind the creation of what amounts to the first school for artist managers and showmen is the steady depletion in the artist-management ranks. There have been surprisingly few increases or replacements in the field for more than ten years, and if this condition persists, Mr. Engles fears that a serious shortage of artist-managers will develop.

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## 1,000 JOB ORDERS TRACED TO RADIO PROGRAM

The National Broadcasting Company, through a special radio series, has been able to bring unemployed and jobs together in many cities, according to an NBC report. Station WRC, Washington, has been unusually successful in this respect.

During A ril, 1938, Gordon Hittenmark, of the NBC Staff in Washington, D. C., started a morning program planned to assist unemployed men and women find suitable jobs. The program, broadcast locally by Station WRC in cooperation with the District of Columbia Employment Center, consists of interviews with applicants for employment who explain their training, experience and

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qualifications for a particular type of work. Each person interviewed is selected from the files of the Employment Center.

By the end of June, 304 men and women had been interviewed over Station WRC. During the same period the Employment Center received more than 1,000 orders which could be traced directly to this radio program. During the month of June the Employment Center placed 3,915 unemployed, an increase of 67.5 per cent over June, 1938.

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NAB CONFERS WITH PHONOGRAPH COMPANIES

After an all-day conference about licenses last week with representatives of three leading phonograph record companies, a special National Association of Broadcasters committee issued the following statement:

"A committee of the industry met with representatives of the Columbia Recording Corporation, Decca Records and the RCA Manufacturing Company, and discussed at length all phasesof the question. The RCA Manufacturing Company is the only company which as yet has formulated its policy and has sent out a proposed agreement. The committee requested that the arugments advanced by the committee be given thoughtful consideration and that the effective date for the contract be postponed. The RCA Manufacturing Company agreed to give consideration to this request and to advise NAB Headquarters of its decision at an early date. The Columbia Recording Corporation and Decca Records have not as yet formulated any policy and agreed to notify the NAB as soon as any policy is formulated. A full report will be made to the Directors and members at the convention in Chicago."

Broadcasters present were John Elmer, WCBM, Baltimore; John Shepard, 3rd, The Yankee Network; Alexander Dannenbaum, Jr., WDAS, Philadelphis; Walter Damm, WTMJ, Milwaukee; Clair McCollough WGAL, Lancaster; William S. Pote, WMEX, Boston, Roger W. Clipp, WFIL, Philadelphia The NAB was represented by Neville Miller and Edwin M. Spense.

The executive committee met all day Tuesday in New York, discussing code, copyright and other problems, in preparing a report for the Board of Directors which is to meet September 13 in the Palmer House, Chicago. The special copyright convention will be held in the same hotel September 15.

The executive Committee met with the copyright negotiating committee Wednesday, and after going over all phases of the problem asit now stands, directed Sydney Kaye, special counsel, to present to the Board on September 13 a plan for creation of a supply of music other than ASCAP numbers.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF SEPTEMBER 1, 1939.



No. 1154

September 1, 1939

TELEVISION SEEN AS AID IN FUTURE WARFARE

While it is doubtful that television could be put to extensive practical use in the event of an immediate European war, it doubtless will be a valuable military aid in the wars of the future. American military experts already are busy studying its possible applications.

No particular attention has been paid by American manufacturers to date to the military possibilities of television, but this stage in the development unquestionably will be expedited by any major European conflict.

"Although considerable technical progress is to be expected under normal conditions during the next few years, "according to Col. G. L. Van Deusen, of the U.S. Signal Corps, "it is unlikely that any serious attempt will be made to adapt television to military use until government contracts are placed with the manufacturers."

Taking a glance at the future, Colonel Van Deusen observed that several military applications of television suggest themselves, among which are the following:

" (1) For observation within the combat zone, to supplement the reports of military observers and the information conveyed by still and motion pictures. Commanders and staff officers, like other persons, have an instinctive desire to actually see events of interest or importance while these events are in progress, even though other efficient agencies for recording and communicating the details of the event are available A television transmitter mounted in an airplane may enable the commanding general, while seated at his headquarters, to view troop movements, details of actual combat and other important features along the front or within the enemy lines. (2) For adjustment of artillery fire, the camera and transmitting equipment being installed either in an aircraft or in a ground O.P. (3) To aid in the radio control of robot aircraft, aerial bombs or seacraft, the target or objective being made visible to the controlling station by television apparatus mounted in the directed craft. (4) For mass propaganda or training within the zone of the interior. The educational use now made of motion pictures can be reinforced by the more intimate appeal to the audience which is possible with television.

" For military use, as in commercial practice, the television signal may be transmitted over specially designed wire

circuits or by radio. By the use of special conductors, repeaters, and associated equipment on wire lines, television transmission is possible over greater distances than can be covered over a single point-to-point radio channel. The necessary equipment for either wire or radio transmission will be complicated and its use in the combat zone will present many problems.

"If a permanent record of the televised information is desired, it may be recorded on notion-picture film at the receiving station.

"The transmission of televised scenes from a military airplane is possible, although no satisfactory apparatus has been produced for this purpose up to the present by American manufacturers. The space and weight limitations on such an installation should not be serious, once the problem of securing a well-defined image is solved.

"Until the present frequency band assigned to television can be materially enlarged, the number of channels available in any area will be small. Under present standards (441 scanning lines) the televised scene is resolved into approximately 260,000 picture elements, each of these elements being scanned 30 times per second. These standards have been adopted to insure sufficient detail without objectionable flicker. With single side band transmission, it does not seem that a television channel can be reduced to less than 5 megacycles if interference from adjacent channels is to be avoided.

"There is no suitable place for these television channels in the radio spectrum except at the ultra high frequency and, preferably above 40 megacycles. The upper frequency limit practicable for television is now around 110 megacycles but will undoubtedly be extended with the development of vacuum tubes capable of high power output at greater frequencies.

"Any military characteristics formulated in the present state of television development must necessarily be of a general nature. The following characteristics appear desirable as a goal for special development:

" (1) The equipment should be as rugged and portable as our present field radio sets.

" (2) For installation in any type of aircraft or vehicle the weight and bulk of the equipment should be within the limits imposed by the type of transport.

" (3) The power requirements should be such as can be met by portable self-contained generator units.

" (4) The transmission range should be sufficient for the image to be viewed directly by the party served, e.g., by the firing unit in the case of artillery adjustment or by the commander of the tactical unit for which the airplane or ground station is observing.

" (5) The image definition at the receiver should be approximately as good as can be obtained by photographic means under the same conditions.

" (6) The equipment should be capable of prompt installation and satisfactory operation by a trained enlisted crew.

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ONLY A WAR WOULD DETERMINE U.S. RADIO CONTROL

Nothing short of a World War in which the United States would become embroiled would put to a severe test the application of the "emergency" clause of the Communications Act with respect to American broadcasting, according to informed government authorities.

While the Federal Communications Commission, the State Department, the War Department, and other agencies have considered the possibility of governmental control of American radio stations during a war, authorities agree that the issue will be avoided so long as possible.

The Communications Act gives the President far-reaching powers in the event of war or even a national emergency, with respect to radio broadcasting, but it is considered doubtful in Washington that such authority will be used except as a last resort.

The first class of radio stations to feel the hand of governmental control following the outbreak of actual hostilities abroad doubtless would be the American short-wave stations. A form of Censorship similar to that proposed in the now-suspended international rules probably would be invoked to prevent any U.S. station from endangering American neutrality.

As these short-wave broadcasts reach an international audience, they are considered potentially dangerous by American diplomats.

Public pressure on the FCC to crack down on stations which carry pro-Hitler or pro-British broadcasts already has been felt, and it would be intensified as the European conflict became more serious. However, at present while FCC officials are keeping more or less check on the activities of American radio stations there has been no disposition to curtail them.

If and when a war does occur, broadcasters unquestionably will have to watch their step, but they probably will escape the full force of censorship or punishment so long as they use discretion and avoid taking sides too obviously.

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COURT REVISES SYSTEM OF REVIEWING FCC APPEALS

A new system for reviewing the acts of the Federal Communications Commission and other U S. agencies was placed in operation Friday by the District Court of Appeals.

The new system was designed to bring the practice of the Court of Appeals into harmony with the system of civil procedure promulgated last year for all Federal courts.

The court ordered that appeals from FCC decisions be filed within 20 days after effective date of decisions and gave the FCC 30 days after an appeal is filed to present the records of the case. Should the commission fail to include matter believed by the complaining party to be important, it was provided that the party might remedy the omission or request the court to do so.

The court cautioned lawyers to confine FCC appeals to disputed points, giving as an example the proper procedure in an appeal involving the financial standing of an applicant for a radio license. "Matter relating to station interference, or to the type of daily programs," said the court, "would not be essential to the question involved, and should be omitted."

The court in past opinions has thrust aside ponderous records and arguments when it found these to be on points not directly at issue before it.

The old rule of sending a "mandate" to the FCC after the court acts in a case will be abolished instead, the FCC will receive a simple certified copy of the court's opinion and judgment order.

The general rule for appeals from administrative bodies ordered such cases placed on the court's special calendar. The court acted to preserve the rights of persons who wished to intervene in such cases but were not given by law the right to do so. Such interveners were ordered permitted to present their positions within 10 days after the filing of the appeal in which they were interested.

To save the appellate justices from having to read complete records , when cases before them involve only part of a record, it was provided that disputing parties may designate what part of a record shall be printed for study by the court. This was expected to reduce the expense of appeals.

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The Columbia Broadcasting System has announced that the closing time has been extended until 2 a.m. for the basic network and coast stations. This new policy, which keeps the network open one hour longer than its previous sign-off time of one a.m., marks the latest hour in its history at which the network has closed. It became effective Sunday, August 27.

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## SHORT-WAVES PLAYING VITAL ROLE IN CRISIS

A new anti-propaganda force is playing a vital role in the current European crisis, according to Washington political observers, and may have a hand in the outcome.

While short-wave broadcasts established a new record for international news transmission in the Czech episode, this time they are believed to be responsible for breaking down the bars of Nazi censorship and thereby influencing the actions of Hitler himself.

Great Britian and France, following the seizure of Czecho-Slovakia, started directing short-wave broadcasts in German into the Reich and, while Nazis forbid Germans to listen it is doubtful that such a ban was very effective.

President Roosevelt's recent peace plea, moreover, was directed to German listeners, among others, by U.S. short-wave stations, and is believed to have had an effect of inducing the note of caution into subsequent proceedings.

Washington observers believe that the bombardment of news broadcasts from London and Paris and pleas for peace have offset to a large degree the effect of the government-controlled Nazi press and given Germans a true picture of the international situation in place of the one-sided Nazi protrayal.

Reports from American representatives in Germany show Hitler has been unable to check listening in on foreign short-wave broadcasts, or to check the repetition by listeners of what they hear, despite severe penalties.

Hitler has used the radio in every way possible and taken every precaution to make it useful to him and not to others. He seized control of the radio even before he muzzled the press.

When Goebbels set up his ministry of propaganda he got German radio manufacturers to devise a cheap set along specifications approved by the government, which subsequently has been followed by a still cheaper set. These have a short receiving range and no short-wave attachment.

But the number of short-wave sets in use in Germany has increased in recnet months, Commerce Department records show.

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## REICH ADOPTS RULES TO NATIONALIZE RADIO

Full details of the regulations for the nationalization of the German radio industry were officially published recently. These regulations are issued by General Fellgiebel, who was :

recently put in charge of the entire German electrical communications industry, and are part of the Four Years Plan for economic independence.

The industry is required to form twelve groups of manufacturers, each of which will be permitted jointly to manufacture the following sets:

A high-efficiency receiver at a medium price (probably a small super-het.)

A receiver for reception of the local station at high tonal quality and for wired-wireless services.

A "highest-efficiency" set (probably a large super-het.)

A receiver for motor-cars.

Portables and other "highest-efficiency" sets may be manufactured only if there is a direct demand in the German market or if they are required for export.

P.A. amplifiers are standardised as 20, 120, and 500 watts; no others may be made.

The regulations stipulate all receivers must be for A.C. with converters, or for A.C /D.C.

Single parts for sets must be chosen from those types which are also suitable for national defence. Single or hand processes must be superseded by mass-manufacture in all cases.

To prevent the selling of old models by dealers at reduced prices, thus causing them losses, the German radio industry has been ordered to continue for a longer period than hitherto the types it is allowed to produce.

There must be complete and immediate removal of all sources of man-made interference . On account of the television service all motor-cars must at once fit interference suppressors.

It is ordered that only German materials be used in manufacture to eliminate importation of foreign materials.

Indications are that, aided by the new system of mass-production, Germany will make a great drive for cheap exports. Already the types of value have been reduced from 66 to 23, the variety of loudspeaker types available from 100 to 12, the number of different types of resistance from 1,000 to 17.

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CBS announces that Station KROY, Sacramento, is now on a permanent full-time schedule.

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## U. S. READY TO FORM WAR-TIME RADIO RULES

Governmental agencies are preparing to take whatever steps may be necessary to keep the American broadcasting system neutral in event of a general European war and may even take over frequencies needed for military purposes and direct the operations of all stations should the United States be drawn into the conflict.

James Lawrence Fly admitted at his first press conference that he had been consulted "in a minor capacity" by other Government officials in the State, Army, and Navy Departments who have been studying the question of what to do about radio when war comes.

He declined to predict what course the governmental supervision of America's ether waves may take, but he called attention to the war emergency powers granted the President by the Communications Act. Section 606 gives the Chief Executive broad authority over radio in time of war.

Several proclamations anticipating progressive stages in government control of radio operations have been prepared by military authorities, it is understood, but will be kept secret until called for by the President.

Should the United States become embroiled in the war or the danger become critical, authorities predict, the FCC probably will turn over its administration of the broadcasting system to an emergency war-time board.

Because the military and naval units do not have as large a share of the radio waves as they think are necessary in time of war, many privately-owned stations likely would be called upon to surrender their frequencies, particularly for coastal and interior communications.

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## MILLER PRAISES RADIO NEWS REPORTING

Praising the public service work of stations and networks in bringing the nation the most comprehensive war-crisis coverage in history, Neville Miller, President of NAB, congratulated the industry in the following statement:

"The broadcasting industry is performing a monumental public service in this war crisis period. Commercial schedules have been abandoned at real financial sacrifice in order that the public interest may be served. No other industry can boast such an unselfish performance. Once again American broadcasters are proving their stewardship. Operations have been of a twenty-four hour

basis. Radio staff men and women have stuck to their posts day and night, that the American people may be informed of the startling minute-to-minute developments.

"The comprehensive news reports and on-the-spot-broadcasts have undoubtedly gathered the greatest audience in the history of radio.

In every home in America, from the White House to the most humble, radios are turned on, and people are listening and hoping that the holocaust may yet be averted.

"Through it all, there is a perceptible growth in public appreciation of the private and competitive character of the American System of Broadcasting which is rendering such a superb service. I congratulate the industry.

"And let me convey the gratitude of the industry to the gentlemen of the press who have cooperated so splendidly with us."

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FLY ALIGHTS LIGHTLY AT FIRST PRESS CONFERENCE

James Lawrence Fly, former TVA counsel, took the oath as Chairman of the Federal Communications Commission Friday and shortly thereafter held his first press conference.

Adroitly evading controversial questions, he nevertheless sought to convey the impression that he would be neither hasty in reaching decisions nor dogmatic in enforcing them on the other Commissioners.

While rumors are afloat at the FCC that T.J. Slowie, Secretary, is to be replaced, Mr. Fly insisted that he has no plans for a "purge" or "housecleaning" such as his predecessor, Frank R. McNinch, attempted. Each case will be considered on its individual merits, he said.

He expects to announce shortly, however, the appointment of a special assistant to the chairman, a lawyer, who will act as his individual advisor. This is a new position.

"I hope to do this job right", he said. "I did not run for it on any dogmatic platforms nor seek the job on any basis issues. There are many problems before the commission that deserve very serious study."

He declined to comment or express an opinion on any of these problems.

Explaining that he was speaking as a radio listener rather than as Chairman of the FCC, Mr. Fly commended the radio networks and broadcasting stations for their "great public service in covering the European crisis.

Retiring Chairman McNinch sat with him during the conference, and at a previous meeting of the FCC he was accompanied by Benjamin Cohen, one of the New Deal Aids. There was some speculation that Cohen is the man who Mr Fly has asked to act as his special counsel.

EFFECT OF OUTBREAK ON U.S. BROADCASTS AWAITED

American broadcasters were uncertain this week-end as to what effect the outbreak of the European conflict will have on American broadcasts to and from the foreign capitals. Meanwhile, however, telephonic communication between this country and Europe was cut off.

The American Telephone and Telegraph Company was notified that the British Postoffice, which operates the British end of the service, had advised the company's New York office that it would accept calls only to the Bank of England, the N.Y Times reported. No reason for the suspension of service was assigned. The A T.& T. has a circuit to France, which was accepting only official and banking calls.

Officers of the company pointed out that virtually all European calls clear through London. Thus the suspension of service, should the British Government so desire, could be complete. The British exchange is the central point for telephone calls on the Continent, it was explained, since all calls, except for one exchange in France, clear through the British capital.

New York offices of various radio and cable companies serving London were notified that the British Government had begun censorship of all messages. Commercial Cables disclosed that for several days past French censorship has prohibited the reception in that country of either commercial or private messages in code or cipher. Commercial Cables reported that its service was normal but that it would have to submit to the censorship, thus delaying transmission.

Radiomarine Corporation reported that all message traffic was normal but that "no code messages are accepted in Great Britain France and Poland." The International Telephone and Telegraph Company reported normal cable service.

The Mackay Radio and Telegraph Company said that its service was normal on all circuits, but this company does not serve London. A representative of Mackay said that it had not been notified of any censorship in Poland. RCA Communications, Inc , said that there had been no interruption in its service.

So far the broadcasting systems report that they have not been affected, the Times stated. Transoceanic broadcasting facilities of the National Broadcasting Company and of the Columbia and Mutual systems are scheduled for today, but the companies are said to have had no assurance that the programs would go on.

Columbia could not pick up London during its mid-afternoon comment period and was off the air for seventeen minutes before contact was re-established with its London representative. A check-up on short-wave channels, however, indicated that the stations were on with substitute musical programs. A representative of Mutual said that there was no indication yet of a cut-off of service.

It was agreed generally in broadcasting circles, that if the service was not cut off eventual y, there might be a curtailment of broadcasts from Europe.

Max Jordan, chief of NBC staff in Europe, in a broadcast from Berlin yesterday afternoon, said:

"Allow me to report alarming reports that reached here from across the borders, Telephone communication with abroad became entangled once more. No calls were accepted to London, except those of the government. One could not get through to Paris, either. Broadcasting had been stopped from Great Britain to foreign countries."

A representative of the National Broadcasting Company pointed out that, in the eventof war, if the cables were prevented from carrying programs and if the British Broadcasting Corporation and the German broadcasting system were ordered by their governments not to carry programs from London or Paris, that it would put an end to American rebroadcasts, so far as London and Berlin were concerned.

In the case of Berlin, it was pointed out, the NBC cooperates with the German broadcasting system, but all programs emanating from Berlin come by short wave and none by cable, which is not the case with England.

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AIR LINE EQUIPS PLANES WITH PORTABLES

Eastern Air Lines announced this week that portable battery-powered radios with airplane wave ma ne s had been installed on planes of its fleet to bring to passengers the latest news service bulletins. Reception is reported to be excellent under most atmospheric conditions.

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DUE TO GOVERNMENT OFFICES IN WASHINGTON BEING CLOSED OVER LABOR DAY, MONDAY, SEPTEMBER 4, THERE WILL BE NO ISSUE OF THIS SERVICE TUESDAY, SEPTEMBER 5.

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## CBS TO ASK PERMITS FOR TWO NEW AUTITORIUMS

Columbia Broadcasting System will apply for permits to build two 400-seat auditoriums at Columbia Square, Hollywood, it was announced this week. The auditoriums will be built to take care of the extraordinary demand for tickets for broadcasts, which has taxed the facilities of the present 1,000 seat theater beyond capacity. The two new auditoriums will be similar to the three other Columbia Square buildings both in design, which is functional and modern, and in color, which is blue and gray with chromium trimmings.

However, there will be an unusual innovation in the interior of both, with the monitor rooms and sponsors' booths being located behind the footlights; the latter booths built over the monitor rooms. The building will be one story high, with an additional half-story over a part of it, in which dressing rooms for the casts and rest rooms will be located.

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## RADIO TRAFFIC BOOSTED BY CRISIS

An increase in traffic communication between the United States and Europe, as a result of the world crisis, was reported this week by the Radio Corporation of America. The Radiomarine Corporation of America alone estimates its traffic has shown a gain of 20 per cent.

It has been noted, says the N.Y. Times that ships flying the flags of Germany, France and England are not using their ship-to-shore transmitters, so as to avoid any indication of their positions at sea. While the messages are going out to these vessels as usual, no verification of their reception is given. It is believed, however, that the receivers on ship-board are picking up the bulletins on developments in Europe being sent out by the communications company.

Not only is a considerable increase in radiogram service reported, but a similar heavy traffic in the transmission of radio pictures for newspapers and the handling of radio programs between Europe and this country over R.C.A. circuits.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF SEPTEMBER 8, 1939



No. 1155

F.D.R. DECRIES CENSORSHIP AS FCC TACKLES PROBLEM

Shortly after the White House released a statement asserting that President Roosevelt will not permit the invoking of censorship of radio unless the United States goes to war, the Federal Communications Commission this week tackled the task of adopting a general policy for stations to follow to insure American neutrality.

Following an all-day meeting in which the matter was argued with some fervor, James L. Fly, Chairman of the FCC, announced that a committee had been set up to study the problem further and make recommendations to the full Commission.

Besides himself, the Committee comprises Commdr. T.A.M. Craven and Thad H. Brown.

Chairman Fly stated that he considered the FCC's problem two-fold. The first objective, he said, is to prevent broadcasts that are unneutral in the sense that they are conducted in behalf of a belligerent or supply war-connected information.

The second and more dangerous problem, the Chairman added, is how far the Commission can and should go in interpreting what programs are "in the public interest".

The Commission is sharply divided on this latter issue, it is understood, as some members believe that the FCC should crack down on any station that carries comment by an unneutral observer. Other members insist that such regulation would amount to censorship, which is not allowed under the Communications Act.

There were indications both at the FCC and in the White House statement that amateur stations may be the first to feel the curbing hand of the Federal Government and that international short-wave stations will not be far behind. These stations are considered potentially dangerous to American neutrality, it was explained, because their reception is chiefly foreign.

A statement made by Stephen Early, Mr. Roosevelt's secretary, was in reply to a question about the President's warning the day before lest the United States find itself the clearing-house of propaganda and information work of agents of the belligerent nations.

Plans exist for the control of communications should this country go to war, Mr. Early admitted, but reminded that this was a time of peace for the United States.

He said the Government was keeping a close tab on the radio to see how the young industry met the problems of American neutrality in a time of great international stress. The press, he said, has gone through periods of war and neutrality, but the radio is a "rookie rather than a veteran".

"There is a general feeling", Mr. Early said, "that radio, because of its youth, is coming into a time in history that is new to it. If we find that the child has been reared so it is well-mannered, it will be left to run its own business. If it proves to be a bad child there will be a disposition to teach it some manners. Certainly there have been no moves in this direction yet."

A declaration by Mr. Early that the shortwave and international broadcast fields should be carefully watched was borne out by FCC experts who said that the problem of apprehending small radio sets broadcasting information about ship or merchandise movements, for example, would present serious difficulties.. Extensive monitoring of the ether waves, they indicated, would be necessary.

The FCC only a few weeks ago attempted to impose restrictions on the broadcasts of international stations. A rule that specified that programs must be of a cultural nature, intended to build up goodwill for the United States, aroused such a storm of protest that it was suspended indefinitely.

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NETWORKS MOVE TO COOPERATE WITH ADMINISTRATION

Changing their policies of war coverage over night, the major networks this week moved to cooperate with the neutrality efforts of the Administration by curtailing war news broadcasts to avoid what was termed a "war of words".

Broadcasts from European capitals henceforth will be carried only when the network's representatives abroad report that they have news of transcending importance to announce. Likewise news bulletins, unless of extraordinary importance, will be broadcast at regular intervals rather than intermittently during programs.

This new policy was induced by several developments since the outbreak of the European conflict, it is understood. The first was the imposition of a strict military censorship upon broadcasts from the waring capitals. The second was a desire of the American broadcasters to avoid any suggestion of unneutrality. And a third was a complaint from listeners against too intensive reporting of unimportant developments.

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# FCC GETTING LOTS OF ADVICE ON WHAT TO DO

While the Federal Communications Commission ponders the ticklish problem of how to keep American radio stations neutral and at the same time avoid censorship, lots of advice from persons of varying prominence is pouring into the FCC offices.

This week no less a personage than Elliott Roosevelt, son of the President and a Texas chain broadcaster, suggested that the FCC try to control the rebroadcasting of war propaganda from abroad, while Dean Carl W. Ackerman, of the Columbia University Graduate School of Journalism, warned the FCC against censorship.

Dorothy Thompson, after being cut off the air by Station WKW, St. Louis, wrote a blistering column suggesting that the broadcast of war news, especially news comments from waring European countries, be curbed in this country.

Neville Miller, President of the National Association of Broadcasters, disturbed by divergent rumors and inquiries from NAB members, conferred with James L. Fly, Chairman of the Commission, at some length.

Dean Ackerman's telegram to the FCC was prompted by the suggestions of radio control by Miss Thompson and young Roosevelt.

"I trust", Dean Ackerman's telegram said, "that the Federal Communications Commission will take no action which will in any way interfere with the free flow of information by radio, newspaper, press associations or otherwise from all parts of the world to the United States, whether it is propaganda for or by foreign governments, or whether it is propaganda distributed by American citizens with foreign viewpoints. Propaganda either labels itself or is exposed by the truth which free communication insures."

He declared that as long as this country was not involved in the European war, the interest of every free citizen should be centered in the complete and unmodified freedom of the instrumentalities of communication. He went on:

"There may be many points of view expressed on the radio, and some practices of the radio broadcasting companies or the newspapers to which I may be inclined to take vigorous exception; nevertheless, this is not the time or occasion for any citizen to set himself up as a dictator of the kind of liberty he approves.

"The people of this country are not boobs. They have sound common sense and are able to reach honest American conclusions after they have listened to or read news dispatches and comments, considered the facts and applied discriminating judgment to the facts and opinions as presented by the different sides in this European war.

"I am in favor of maintaining peace and democracy by maintaining our liberties. I am unwilling to have either Elliott Roosevelt or Miss Thompson decide for me what they consider to be the amount of freedom which may be allotted to me as a citizen."

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## McNINCH RETAINED BY JUSTICE DEPARTMENT

Attorney General Murphy announced this week that the Department of Justice has retained Frank McNinch, formerly Chairman of the Federal Communications Commission, as an expert in communications problems to advise the Department in connection with the telegraph, telephone and radio complexities involved in the Western Union suit and other litigation in the Department.

Mr. McNinch is expected to submit his confidential report to President Roosevelt on the Federal Communications Commission within a few days.

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## G. E. BUILDING FREQUENCY MODULATION STATION

Equipment is now being built for the construction of a new broadcast station in Schenectady that will operate on the recently announced frequency modulation system developed by Major Edwin H. Armstrong, according to an announcement by C. H. Lang, Manager of Broadcasting of the General Electric Company.

The transmitter for the new station will be located in the building now housing General Electric's television transmitter atop the Helderberg Mountain, 12 miles from Schenectady. It is expected that the new station will go on the air this Fall, according to Mr. Lang.

General Electric has been conducting frequency modulation tests for some time on its 150-watt ultra short-wave station W2XOY, located atop the State Office building in Albany. Federal Communications Commission officials spent two days in Schenectady and Albany this Spring to witness a demonstration of the new system of radio broadcasting.

These tests and subsequent ones have shown that at least 96 percent of all natural and man-made static is eliminated in the new system. Coverage is limited to approximately twice the distance between the transmitting antenna and the horizon, which, according to General Electric engineers, should provide good reception for about 100 miles from the Helderberg transmitter.

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The average rating of all evening radio shows increased last Winter from 8.8 percent to 9.3 percent, according to a comprehensive report on radio program audience which the Comprehensive Analysis of Broadcasting has just distributed to its subscribers. The number of evening shows rating 10 percent or higher increased from thirty-nine to forty-four and the number of daytime programs rating over 5 percent was almost twice as great as during the previous Winter.

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## [illegible] REGULATORY MONITORING DIVISION

Attorney General [illegible] announced this week that the Department of Justice has retained [illegible] Inc. [illegible] to act as agent in connection with the Federal Communications Commission's [illegible] proceedings to advise the Department on economics [illegible] telephone, telegraph, and radio communications involved in the [illegible] Union and other litigation in the Department.

Mr. Hoffman is expected to submit his recommendations to President Truman on the Federal Communications [illegible] within a few days.

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## S. F. [illegible] EQUIPMENT [illegible]

Equipment to make radio [illegible] for the construction of a broadcast station in Sacramento that will operate on the [illegible] frequency modulation system developed by Major [illegible] H. Armstrong, according to an announcement by [illegible] Lang, manager of broadcasting of the Bonfi Theatre Company.

The transmitter for the new station will be located in the building now housing Station [illegible] (formerly [illegible]) on the Sacramento Boulevard. It is expected that the new station will be on the air this fall, according to Mr. Lang.

General Electric has been conducting frequency modulation tests for some time in the 100-mile zone [illegible] station KXO, located atop the Bank Office Building in Albany. Federal Communications Commission officials spent two days in Sacramento and Albany this spring to witness a demonstration of the new [illegible] radio broadcasting.

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The average rating of all evening radio [illegible] increased [illegible] Nielsen from 4.2 points to 4.5 points, according to a [illegible] report on radio listening audiences. Much the [illegible] activity of broadcasting [illegible] contributed to the [illegible] number of evening [illegible] rating to [illegible] or higher [illegible] to interference to [illegible] and the number of [illegible] [illegible] over 6 points was [illegible] than or equal to [illegible], the [illegible] Nielsen report.

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AMATEUR BROADCASTS FROM EUROPE "BLACKED OUT"

Washington's amateur eavesdroppers have been tuning their short-wave radio sets to European wavelengths constantly in the last few days, but so far they have gleaned little that was not already known.

As soon as the war began, they reported, amateur stations in all warring countries went off the air. American stations in the Philippine Islands and at Java, and a few amateurs in the international area at Tangiers in North Africa, are now the only contacts between amateurs here and on the other side of the world.

Some messages apparently coming from the German command and directed to sections of the Army and Navy were picked up by K. J. Cranford, of Bradbury Heights, Md., but he would not say what they were, as all amateurs are sworn to regard such private communications as confidential. The information was not of sensational importance, he said, but of a routine nature.

Although amateurs agree that chances of picking up and decoding such messages are slight, they pointed out that under favorable conditions messages from small field transmitters in Europe theoretically could be received here.

Conditions have not been good in the past weeks, they said, but they are now improving daily.

One amateur reported that German property in South Africa is being picketed.

Earl A. Merryman of 4905 Quarles Street, N.E. reported he had picked up a conversation between Johannesburg and a Chicago amateur in which the man from South Africa reported the picketing.

Mr. Merryman said he had made contact with an amateur in Spain who appeared anxious "to know as much about the European situation as we do". The Spaniard reported, according to Mr. Merryman, that scarcely any news of the war and conditions was available in Spain.

Meanwhile, Roy C. Corderman, emergency co-ordinator for the American Radio League, called a meeting of local radio amateurs September 18th in the District Red Cross Chapter Building. The session will take up problems which might arise in the Washington area during the various types of emergencies.

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Three Washington girls have sued the Western Union Telegraph Co. in the District for $30,000 damages, claiming that a cheery birthday message was delivered to a widowed friend to whom they wired condolences.

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## AMERICAN BROADCASTERS FROM BERMUDA "PLACIDLY"

Washington's [illegible] have been trying
their short-wave radio sets to Bermuda [illegible] quietly in
the last few days, but so far they have [illegible] little that is not
already known.

As soon as the war began, they searched [illegible] stations
of all warring countries [illegible]. American stations in
the Philippine Islands and elsewhere, [illegible] in the
international area at Tangier and North Africa, are now the only
contacts between Americans here and [illegible] outside world.

Broadcasts apparently coming from the German [illegible]
and directed to south [illegible] were picked up by
Chesterfield, of Bermuda Radio, [illegible], but no mention of any [illegible]
by [illegible], as all contacts are [illegible] such particulars [illegible]
conditions as [illegible]. The [illegible] are [illegible] of [illegible]
portance, [illegible] and [illegible] [illegible].

Although [illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] they pointed out that under
favorable conditions [illegible] [illegible] [illegible] in
[illegible] theoretically [illegible] [illegible].

Conditions have [illegible] good in the past [illegible], they
[illegible], but they are [illegible].

The station [illegible] [illegible] [illegible] priority in South [illegible]
[illegible] being placed.

Carl A. [illegible], [illegible] Street, N.E., [illegible]
had picked up a conversation between [illegible] and a [illegible]
station in [illegible] the [illegible] South, after [illegible] the [illegible].

Mr. [illegible] said [illegible] and [illegible] with [illegible] [illegible]
[illegible] "[illegible] more [illegible] about the [illegible]
[illegible] [illegible]". [illegible] reported, according to Mr.
[illegible], that [illegible] of the war and conditions [illegible]
[illegible] in [illegible].

Meanwhile, [illegible], [illegible] [illegible] [illegible] for
the American Radio [illegible] [illegible] a meeting of [illegible]
[illegible] September 1st in the [illegible] Observer building.
[illegible] station will [illegible] [illegible] [illegible] [illegible] the [illegible]
[illegible] area during the [illegible] [illegible].

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Three [illegible] [illegible] [illegible] [illegible]
[illegible] Co. in the [illegible] (XXXXXXXXX) [illegible], [illegible] [illegible]
[illegible] birthday [illegible] [illegible] to [illegible] [illegible] [illegible]
[illegible] [illegible] condolences.

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## RADIO TO PARTICIPATE IN BUSINESS BOOM

While opinions differ as to the immediate effect of the European War on advertising in this country, experts agree that radio will participate in whatever business boom may occur in the United States.

At present there is a great deal of confusion in both industrial and advertising circles, but this is expected to give way to steadily increasing sales and higher prices as the war progresses - so long as this country remains neutral.

The radio manufacturing industry is expected to prosper with expanded sales in the United States and neutral countries. The market in Europe, however, is uncertain.

New York advertising agency men are quoted by Variety as predicting an industrial boom in which radio will have its share after "a brief period of uncertainty and confusion".

The New York Times business editors state that national advertisers are talking of short-term commitments in order to be ready for any changes in the market.

"Theoretically, newspapers, spot radio, direct mail and the weekly magazines would appear likely to benefit. Network radio will have to undergo some adjustment, as advertisers have started to complain about their programs being interrupted for news flashes. Yesterday, however, several networks began to cut down on European broadcasts, and it is likely that only the most important news flashes will be interjected into regular broadcasts. Newspaper advertisers have begun to strive for news headlines tying in with the war, and it is likely that this type of copy will become more frequent."

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## BROADCASTERS CONFER ON WAR "COVERAGE"

Disturbed by military censorship abroad and hints of governmental control of radio in the United States, American broadcasters have been holding conferences in New York this week in an effort to agree on a general policy of "covering" the war.

The parleys have been attended by David Sarnoff, President of the Radio Corporation of America; William S. Paley, President of the Columbia Broadcasting System; Lenox R. Lohr, President of the National Broadcasting Company; Alfred J. McCosker, President of WOR, and a group of other executives. The Program Directors of the key New York stations met yesterday at CBS headquarters.

## RADIO TO PARTICIPATE IN BUSINESS BOOM

While opinions differ as to the immediate effect of the European War on advertising in this country, important people in radio will participate in whatever business boom may come in the United States.

At present there is a great deal of confusion in radio, industrial and advertising circles, but this is expected to give way to stability increasing audio and higher prices as the war progresses - so long as there actually remains business.

The radio manufacturing industry is expected to produce enough equipment sales in the United States and neutral countries to market in Europe, however, is uncertain.

New York advertising agency men are quoted by Variety as predicting an increased boom in radio which will mean the "war after" a brief period of uncertainty and confusion.

The New York Times business editors state that national advertisers are taking advantage of advertising opportunities in order to be ready for any changes in the market.

"Theoretically, newspaper, spot radio, street posts and weekly magazines would appear likely to benefit. Many of these will have to undergo some readjustment, as advertisers have shown a tendency about their programs being discontinued for news flashes. Saturday, however, never I mentioned begin to cut down on advertising, and it is likely that only the most important news bulletins will be interpreted into regular broadcasts. Newspaper advertisers have begun to confine for news bulletins during the World War, and it is likely that this type of copy will become more important."

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## RADIO-ELECTRICAL FIRMS ON NEW "CONVOYS"

Disturbed by military conscription abroad and dangers of international control of radio in the United States, American broadcasters have been building overseas in the long duty were to go forth to aspire in a powerful radio "Convoy" the war.

The policies have been outlined by David Sarnoff, President of the Radio Corporation of America; William S. Paley, President of the Columbia Broadcasting System; Lewis G. Cole, President of the National Broadcasting Company; Alfred J. McCosker, President WOR, and a group of radio's executives. The Foreign Directors of the New York advertising agencies, at the headquarters

Reports coming out of the meetings indicate that the officials are in general agreement that American broadcasting should return to its normal schedules as quickly as possible. Those opposed to this view contend that radio is confronted with its first chance to cover a war in the "public interest, convenience and necessity", and should do it in "a big way". It was made clear yesterday, however, that this is the opinion of a minority.

"The majority of officials advocate normal procedure and in such a policy they see less danger of upsetting neutrality", according to the New York Times. "Furthermore in urging withdrawal from European microphones, the broadcasters point out that foreign censors are stripping 'live news' from the radio so that most of the offerings from overseas are of little interest.

"The American station owners assert that it is not good business to pay $10 a minute for commentary from Europe when the commentator is permitted to chat only about the moon and the weather. Foreign governments have restricted all broadcasts to guard against a commentator innocently dropping information to the enemy relative to conditions within a city."

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GERMAN LISTENERS FEEL FULL BLOW OF CENSORSHIP

While all radio listeners are affected by the military censorships invoked by warring European nations, German listeners are the only ones who are virtually cut off from the worlr or tune in foreign stations at the peril of their lives.

According to reports circulating in Washington, the Nazi regime, after announcing that listening to foreign stations constitutions treason, has placed an almost prohibitive tax on all radios and confiscated sets capable of tuning in foreign short-wave stations.

This Nazi ban has already had an effect on U. S. short-wave broadcasting.

A decree published in Germany last Saturday fixing prison terms and the death penalty for those who listen to and repeat what they hear on foreign shortwave has caused the National Broadcasting Company's International Division to suspend indefinitely the "Mail Bat", one of the oldest and most popular of German short-wave programs.

The "Mail Bag", conducted three times each week by John J. Marsching, was part of NBC's weekly seven hours of directional beaming to Germany. The principal part of the total is made up of factual news broadcasts.

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## TRADE NOTES

Orville S. McPherson, President and publisher of the Kansas City Journal has become one of the Vice-Presidents of the KCMO Broadcasting Company by virtue of acquisition of an interest in the company. "I have always believed newspaper and radio were complementary services to the community", Mr. McPherson said. "Each has its own particular field of operations and are non-competitive."

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The National Broadcasting Company's Television Department is planning an extensive series of interpretive telecasts of the European War. The NBC television war series, according to Alfred H. Morton, NBC Vice-President in Charge of Television, will deal with the inner meaning of the struggle, its economic background and the significance of its military moves. Mr. Morton added that television could present such interpretive information more comprehensibly than any other means of mass communication.

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The New York Philharmonic-Symphony enters its tenth consecutive year of broadcasting over CBS Sunday, October 15th. John Barbirolli, young English conductor, returns for his third season as permanent director of the orchestra. Guest conductors this season will be Georges Enesco, Rumanian composer, conductor, and violinist; Albert Stoessel, American conductor of the Oratorio Society; Serge Prokoffieff, Russian composer, conductor, and pianist; and Ernest Schelling, director of the Young People's Concerts.

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Almost four years to the day from its inception, the Radio Corporation of America's Magic Key program will take a "breathing spell" following the final show in the current Summer series on Monday, September 18th.

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American consular reports on the radio markets in the following countries were issued this week by the U. S. Bureau of Foreign and Domestic Commerce: El Salvador, Poland (supplement), British Guiana, Fiji Islands, and British Solomon Islands.

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Opposition to radio advertising of alcoholic beverages was expressed this week by Capt. W. S. Alexander, Administrator of the Federal Alcohol Administration, in an address before a convention of the National Alcoholic Beverage Control Association, at Bretton Woods, N. H. It is wrong in principle, he said, and "in practice it is piling up mountains of trouble for the short-sighted manufacturers who use it."

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[illegible]

[illegible]

[illegible] Chairman, President and publisher of the [illegible] City Journal has become one of the vice-presidents of the [illegible] Broadcasting Company by virtue of acquisition of an interest in the company. "I have always believed newspaper and radio complementary services to the community. The Independent Wire has its own particular field in operations and are competitive."

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The National Broadcasting Company's Television Department is planning an extensive series of informative telecasts [illegible] the European War. The new television war series, according to [illegible] H. Morton, NBC Vice-President in charge of Television, will deal with the inner meaning of the struggle, the economic [illegible] and the significance of its military moves. Mr. Morton [illegible] that television could present such informative information [illegible] comprehensively than any other media of mass communication.

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The New York Philharmonic-Symphony enters its twenty [illegible] successive year of broadcasting over CBS Sunday, October 19th, [illegible] Barbirolli, young English conductor, making his his debut [illegible] as permanent director of the orchestra. Seven conductors [illegible] season will be heard here. Bruno Walter conducts, [illegible] violinist Albert Spalding, American conductor of the Cincinnati [illegible] Serge Prokofieff, Russian composer, [illegible] and [illegible] Koussevitzky, director of the Young People's [illegible].

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Almost four years to the day from its inception, the [illegible] of America's Radio Ad program will [illegible] "Dramatic [illegible] following the final show in the current Summer series on [illegible], September 26th.

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American broadcasting receipts for the first months in the [illegible] showing conditions were figured this week by the U. S. Bureau of [illegible] and Domestic Commerce. Of Networks, National (unpublished), [illegible] Mutual, Fall Network, and Pacific Network leading.

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Opposition to radio advertising or alcoholic beverages [illegible] expressed this week by Dr. V. E. Alderman, administrator of [illegible] Federal Alcohol Administration. In an address before a [illegible] of the National Broadcasting Company Control Committee, at [illegible] Woods, N. Y. It is wrong to prohibit, he said, and [illegible] it is joining up morals of people by the anti-alcohol-[illegible] manufacturers who use it."

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Editor & Publisher last week devoted the whole of its "Shop Talks at Thirty" to a discussion of the effect of intensive radio coverage of the war on the newspapers.

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101 Columbia stations have designated their own Educational Directors as part of a plan for expanding CBS educational programs, completed by Sterling Fisher, Director of Education for the network. Three new Regional Directors have been appointed to coordinate the educational broadcasts of the 101 stations. The new Directors are: Lloyd G. de Castillo, Program Director of WEEI, Boston, for New England; Mrs. Lavinia S. Schwartz, Education Director of WBBM, Chicago, for the Middle West; and Mrs. Frances Farmer Wilder, KNX, Hollywood, for the Pacific Coast.

---

Polish was added last week to the crisis news broadcasts in foreign languages over short-wave stations W2XE and WCAB of Columbia Broadcasting System. The special announcer on Polish programs is Jan Drottojowski. With the addition of Polish, seven languages are now used on these foreign broadcasts - German, French, Italian, Spanish, Portuguese and English. Fourteen foreign speaking announcers are at CBS short-wave microphones during the emergency.

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J. Francis Harris, of Mamaroneck, N.Y., became a Vice President of R.C.A. Communications, Inc., in charge of Japan, Manchukuo and China last week. He has been Manager in Tokyo for several years and is now on his way back to Japan after a brief visit in this country. He will make his headquarters in Tokyo, but the Shanghai office, hitherto independent, will be placed under his supervision.

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SWISS BAN BROADCAST BY LEAGUE OF NATIONS

Although negotiations to transfer the League of Nations holdings in the Radio of Nations are not yet concluded, the Swiss Government has banned further League broadcasts or the use of the station for political messages, according to a Geneva correspondent of the New York Times.

Secretary General Joseph Avenol, addressing the League staff last week, intimated there would be large scale reductions shortly. More than 100 members are already mobilized and others hope to find work with the Red Cross and similar organizations.

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CHICAGO BIDS "SPORT" HERRMANN RELUCTANT FAREWELL

Although he met his untimely death more than two months ago, eulogies still continue for "Sport" Herrmann, of Chicago, who managed the early radio shows and who was a friend of the radio industry generally. The final tribute was a memorial card just received from Commander E. F. McDonald, Jr., President of Zenith, in whose company Mr. Herrmann was a Director from the time of its organization. The card bore a lifelike picture of "Sport" and his beloved dog "Brownie". Also the following farewell written by Commander McDonald:

> Yes . . . "Sport" has been called away from this earthly life.
>
> A taxicab accident in Wisconsin which occurred on July 1st, 1939 took him from us.
>
> YOUR FRIEND AND MY FRIEND . . . a man among men . . . "Sport" still lives in his good deeds.
>
> He made his home in Chicago, but in spirit he was a true cosmopolite. He had warm friends, not just acquaintances, in nearly every part of the world.
>
> His nickname, "Sport", given him early in life, reflected indeed his love of honest, clean sports of all kinds . . . yachting, hunting, fishing, athletics . . . these were his hobbies.
>
> On his letterhead he had inscribed the simple legend "U. J. Herrmann, Citizen", an expression of his pride in having been born an American citizen and of having served as a Commander in his country's naval forces.
>
> "Though amply blessed with this world's goods . . . the fruits of his own hard struggles . . . he remained a simple man in life and habits. He measured his own and others' success not in terms of dollars but by the yardstick of human kindness and personal qualities.
>
> "Sport's" humanity, his understanding nature, his kindly and helpful advice and counsel, his friendship for and unassuming charity toward those in need; his unswerving integrity and honesty of purpose in everything he did, will not soon be forgotten.

Probably no Chicagoan ever received such a tribute as "Sport" Herrmann did in the Medinah Clubman, magazine of the Medinah Club of Chicago, of which he was Treasurer of the Building Corporation. His picture was on the front cover, there was a leading editorial dedicated to him captioned "Goodbye Mr. Chips" and an obituary "Medinah Mourns Death of Sport Herrmann" extending over five pages.

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## CHICAGO CLUB "SPORT" HERRMANN CONTRACT PURCHASED

Although he met his untimely death much more than two months ago, eulogies still continue for "Sport" Herrmann, of Chicago, who passed the early radio years and was a friend of the radio industry generally. The final tribute was a memorial dinner given recently in Chicago by S. F. McDonald, Jr., President of Chicago, and about company Mr. Herrmann was a director from the time of the organization. The club bore a lifelike picture of "Sport" and believes the "Sport" Herrmann. Also the following letter will which to member McDonald:

Yes . . . "Sport" has been called away from this earthly life.

A tragedy occurred in Milwaukee which concerned on duty let, life ended him from us.

SUCH WHILE AND BY FRIEND . . . a man among men . . . "Sport" still lives in his good deeds.

He made his home in Chicago, but in spirit he was a true cosmopolite. He was were friends, and just mountain-moons, in nearly every part of the world.

His kindness, "Sport", given the early in life, radiated indeed the love of friend, given sports of all kinds . . . politics, business, finance, statistics . . . never were his hobbies.

On his determined he had inherited the simple lesson "U. J. Herrmann, Chicago", in consideration of his work in having been born an American citizen and in having served as a Commander in his country's naval forces.

"Sport" early blessed with this world's goods . . . the result of his own hard struggle . . . he remained a simple man in life and habits. He received his own and deserved success not in terms of dollars but by the varied of human kindness and personal qualities.

"Sport" memorial, his unfortunate nature, his kindness and helpful advice and counsel, his friendship for and his assisting obviously toward those in need his unreserved interest and worthy of success in everything he did, will not soon be forgotten.

Probably no Chicagoan ever received such a tribute as "Sport" Herrmann did in the National Dinner, sponsored of the Radio Club of Chicago, of which he was President of the Radio Corporation. His photo was on the front cover, there was a leading editorial devoted to him operations "Goodby Mr. Sport" and an editorial "Behind Closed Doors Death of Sport Herrmann" extending the true people.

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## AUGUST NETWORK BILLINGS ABOVE 1938

Increases in billings in August over a year before were reported this week by the three major radio networks. Billings of the Columbia Broadcasting System were up 64.2 percent over a year ago and 1.1 percent over a month before. The latest total was $2,337,376, against $1,423,865 in August, 1938, and $2,311,953 in July, 1939.

The National Broadcasting Company recorded an increase of 12.6 percent over 1938 and 0.9 percent over July. The latest figure was $3,312,570, against $2,941,099 a year before, and $3,283,555 a month before.

Mutual was up 24.7 percent over 1938 and 22.2 percent for the year to date. The August total was $205,410, against $164,626 a year before.

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## U.S. GIVEN 14.6% OF FRENCH IMPORTS

The basis of the French radio tube quotas was established by taking 40 percent of the imports from each country in 1930 and adding to that 60 percent of the imports in 1931, according to John H. Payne, Chief, Electrical Division, U. S. Bureau of Foreign and Domestic Commerce. Calculations accordingly indicate that the United States is entitled to 14.6 percent of the total import permitted. The published global quota, beginning July 1, 1938, amounted to 2375.45 quintals, which would accordingly entitle the United States to 346.8 quintals. Actually during the fiscal year ending June 30, 1939, the United States was granted 394.75 quintals.

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## IRAN ASKS BIDS ON $5,000,000 RADIO CONTRACT

According to cabled information, the Iranian Ministry of Posts and Telegraphs has called for bids on approximately $5,000,000 worth of radio receiving sets, including 100,000 crystal sets (200-400 meters), 200,000 small tube sets (55, to 110 and 200 to 400 meters), sensitivity 100 microvolts at 1 watt output, and 1,000 communications receivers 16 to 120 and 192 to 550 meters with accessory amplifiers and extension loudspeakers. These are minimum quantities, with deliveries extending over a period of five years. Quotations to be c.i.f. Persian Gulf for these and for 50 to 100 percent additional quantities, as well as for replacement tubes and spare parts. Bidders must agree to equip a repair shop in Teheran, to become the property of the Iranian Government on the completion of the contract. A certain number of sets were required by August 18th. Tenders for the principal quantities are to be in by October 4. Sample sets must be submitted.

Specifications (in French) are enroute from Iran and will be made available at the New York District Office of the Bureau of Foreign and Domestic Commerce, Room 602, Federal Office Building, Church and Vesey Sts., New York, for inspection by interested firms.

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## AUGUST NETWORK BILLINGS ABOVE 1938

Increases in billings in August over a year before were reported this week by the three major radio networks. Billings of Columbia Broadcasting System were up 64.2 percent over a year ago and 1.1 percent over a month before. The latest total was $2,827,272, against $1,495,895 in August, 1938, and $2,797,[illegible] in July, 1939.

The National Broadcasting Company reported an increase of 16.6 percent over 1938 and 6.9 percent over July. The latest figure was $4,[illegible],270, against $3,[illegible] a year before, and $[illegible],[illegible] a month before.

Mutual was up 24.7 percent over 1938 and 28.2 percent for the year to date. Mutual's total was $[illegible],410, against $[illegible] a year before.

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## U.S. GIVEN 34.64 OF FOREIGN IMPORTS

The bulk of the foreign radio tube market was established by taking 64 percent of imports from each country in 1940 and adding to that 100 percent of the increase in 1941, according to Frank Cotter, Director, Industrial Division, U.S. Bureau of Foreign and Domestic Commerce. Distribution recommendations indicate that United States is entitled to 34.64 percent of the total imports of radio tubes. The published report quote, covering the July 1, 1940, quota in 2076 as quintals, which is quite confusing. Actually the United States is entitled to 34.6 quintals. Actually during the fiscal year beginning July 1, 1939, the United States [illegible] 34.6 quintals.

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## IRAN ASKS BID ON $5,000,000 RADIO CONTRACT

According to United Press, the Iranian Ministry of Posts and Telegraphs has called for bids on approximately $5,000,000 worth of radio receiving sets, including 100,000 crystal sets (300-400 meters), 200,000 small tube sets (3, 4, 5, 6, 7 and 8 tube), 400 sets (short), sensitivity 100 microvolts at 1 milliwatt output, and 1,000 communication receivers 12 to 100 megacycles (short meters) with [illegible] amplifiers and speakers housed in [illegible]. There are minimum specifications, with [illegible] stipulating [illegible] for [illegible] stations to be [illegible]. Details on all the tubes and [illegible] recent additional quantities, as well as the replacement tubes and spare parts. Dealers must agree to obtain a permit from the Iranian government before the property of the Iranian Government on the completion of the contract. A certain number of sets were required by August [illegible]. Tenders for experimental quantities are to be in by October [illegible]. Sample sets must be submitted.

Specifications (in French) are available in a few days and will be made available at the New York Commerce Office of the Bureau of Foreign and Domestic Commerce, the U.S. Commercial Office, Washington and Naval Store, New York. The inspection by interested firms

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1156

September 12, 1939

MAJOR NETWORKS ADOPT CODE ON WAR BROADCASTS

A self-imposed code designed to keep their war broadcasts neutral has been adopted by the National Broadcasting Company, the Columbia Broadcasting System, and the Mutual Broadcasting System, effective at once, the Federal Communications Commission was informed this week.

While general in character, the code is designed to avoid the broadcasting of propaganda from abroad, biased opinions from commentators in this country, and to curtail the frequent "flashes" and "bulletins" that broke into programs during the first few days of the war.

The text of the arrangement was released by Neville Miller, President of the National Association of Broadcasters, after a conference with James L. Fly, Chairman of the FCC, and the other two members of the special committee investigating American broadcasting in connection with the war.

Others at the parley were Niles Trammell, Executive Vice President, and Frank M. Russell, Vice President and Manager of the Washington office, of the National Broadcasting Company; Edward Klauber, Executive Vice President, and Harry C. Butcher, Vice-President, and Manager of the Washington office, of the Columbia Broadcasting System; Alfred J. McCosker, Chairman of the Board, and William B. Dolph, Manager of WOL, Washington, of the Mutual Broadcasting System.

Although drawn up particularly for the networks, Mr. Miller said that the code will be presented to independent broadcasters at the NAB convention in Chicago this week.

Principal provisions of the code follow:

"Every effort consistent with the news itself is to be made to avoid horror, suspense and undue excitement. Particular effort will be made to avoid suspense in cases where the information causing the suspense is of no particular use to the listener. Also, we will avoid descriptions of hypothetical horrors, which have not actually occurred.

"Broadcasters will make every effort to be temperate, responsible, and mature in selecting the manner in which they make the facts of war and its attendant circumstances known to the audience.

"Broadcasters will, at all times, try to distinguish between fact, official statement, news obtained from responsible official or unofficial sources, rumor, and matter taken from or

September 14, 1939

MAJOR NETWORKS AGREE POLICY ON WAR BROADCASTS

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While general in character, the code is designed to avoid the broadcasting of propaganda from abroad, biased opinions of commentators in this country, and to curtail the frequent "bulletins" and "bulletins" that broke into programs during the first days of the war.

The text of the arrangement was released by Neville Miller, President of the National Association of Broadcasters, after a conference with James L. Fly, Chairman of the FCC, and the chairmen of the special committee investigating American broadcasting in connection with the war.

Others at the party were Niles Trammell, President, NBC, and President, and Frank M. Russell, Vice President and Manager of the Washington office, of the National Broadcasting Company; Lenox Lohr, President, and Harry C. Butcher, Vice-President, and Manager of the Washington office, of the Columbia Broadcasting System; Alfred J. McCosker, Chairman of the Board, and William S. Dolan, Manager of WOR, Washington, of the Mutual Broadcasting System.

Although drawn up particularly for the networks, Mr. Miller said that the code will be presented to independent broadcasters at the NAB convention in Chicago this week.

Principal provisions of the code follow:

"Every effort consistent with the news itself is to be made to avoid horror, sensation and undue excitement. Particular care will be made to avoid dramatizing in cases where the listening audience the sensitive in of no particular use to the listener, or will evoke dangerous or exceptional morbids, which are not actually present.

"Broadcasters will make every effort to be accurate, responsible, and astute in selecting the manner in which their news is made if war and its attendant circumstances seem to be imminent.

"Broadcasters will, at all times, try to distinguish between fact, official statement, news obtained from responsible officials or unofficial sources, rumor, and editor taken from or

contained in the foreign press or other publications, so that, by reporting and identifying these sources, we can help the radio audience as much as possible to evaluate the news brought to it.

"The radio audience should be clearly informed that the news from many sources, whether it be press bulletins or direct broadcasts, is censored and must be appraised in the light of this censorship.

"Broadcasters will designate, if they choose, broadcasts of news and news analysis, either or both, from Europe at such intervals as they individually deem to be desirable. It is advisable that these broadcasts be by Americans as far as possible, and that each individual broadcaster instruct the persons he employs, either permanently or temporarily, in the general principles set forth here. Insofar as European broadcasts contain news analysis, they are to conform to the definition of news analysis hereinafter set forth.

"Speeches by foreigners from abroad, public proclamations and statements, and like matter are to be handled by each individual broadcaster in such manner as he deems best to serve his audience, but it is essential that fairness to all belligerents be maintained and that this phase of the operations be carried out in such a way that the American audience shall be as completely and fairly informed as possible.

"If broadcasts become available from scenes of battle, bombed areas, air-raid shelters, refugee camps and so on, broadcasters will not deprive the audience of the ability of radio to give them first-hand information, but will use taste and judgment to prevent such broadcasts from being unduly harrowing.

"If broadcasters put on propaganda disseminated by radio stations or the press of European countries or distributed by these countries in any other manner, each will be guided by his own news judgment and endeavor to label precisely the source of the material, and to do this sufficiently often so that no reasonably careful listener is likely to be misled, and he will also be governed by the same rules of fairness in presenting all sides, though not necessarily in the same broadcast, nor need this judgment be a quantitative one.

"All the foregoing general principles will, of course, apply to domestic broadcasts on any phase of the war. All news broadcasts, whether sponsored or unsponsored, are to remain in the strictest control of the broadcaster in order that the standards herein set forth may be maintained. News analysts are at all times to be confined strictly to explaining and evaluating such fact, rumor, propaganda, and so on, as are available. No news analysts or news broadcaster of any kind is to be allowed to express personal editorial judgment or to select or omit news with the purpose of creating any given effect, and no news analyst or other news broadcaster is to be allowed to say anything in an effort to influence action or opinion of others one way or the other. Nothing in this

tained in the foreign press or other publications, so that, by sorting and identifying these sources, we can help the reader as much as possible to evaluate the news himself.

"The radio audience should be clearly informed that an item from any source, whether it be news bulletins or direct broadcasts, is received and must be considered in the light of its probability.

"Broadcasters will designate, if they choose, [illegible] news and news analysis, either by note, from Turkish sources [illegible] as they individually deem it to be desirable. It is advisable that these broadcasts [illegible] American as far as possible, and each individual [illegible] the personal [illegible] permanently or temporarily [illegible] the general principles [illegible] here. Insofar as [illegible] news analysis [illegible] and to conform to [illegible] news analysis [illegible] truth.

"Speeches by foreign [illegible] broadcast, public [illegible] statements, and like matter are to be handled by [illegible] appropriate in such cases to be [illegible] to [illegible] It is essential that [illegible] that this [illegible] the American audience [illegible] as possible.

"If broadcasts [illegible] of [illegible] and direct, airwaves [illegible] are on air, broadcasts will not [illegible] of the [illegible] of [illegible] this first-hand [illegible] prevent such [illegible]

"To broadcasts [illegible] of [illegible] tion or the area [illegible] or [illegible] tities by any other [illegible] can [illegible] or [illegible] ment for [illegible] to do this [illegible] sense is [illegible] rule of [illegible] essentially in this [illegible] authoritative one.

"All the foregoing general principles will [illegible] to commercial [illegible] of the [illegible] stations, whether [illegible] or [illegible] direct control of the [illegible] the [illegible] air set forth may be [illegible] continued activity [illegible] broadcasts, and [illegible] broadcasts or by [illegible] judgment or to [illegible] or [illegible] or opinion of [illegible]

is intended to forbid any news broadcaster from attempting to evaluate the news as it develops, provided he substantiates his evaluation with facts and attendant circumstances. His basis for evaluation should, of course, be impersonal, sincere and honest.

"In order not to keep the public unduly disturbed and alarmed, each broadcaster, exercising his own news judgment, will endeavor to interrupt programs for news bulletins as little as seems consistent with good operations.

"No propaganda in connection with the war will be allowed in either the commercial announcements or the context of commercial programs. Nothing in this shall be interpreted as barring straight news or news analysis, as herein have been described, from commercial programs.

"The safeguards of fairness and program balance now applied in the handling of speeches on controversial issues will continue to be applied and, in order to make this effective, every effort will be made to obtain the text of speeches before they are scheduled."

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JOLLIFFE SEES TELEVISION USE IF WAR CONTINUES

If the European war lasts more than a few months, as it now appears that it will, it is highly probable that television will be brought into use by military authorities on both sides, according to Dr. C. B. Jolliffe, RCA engineer and former Chief Engineer of the Federal Communications Commission.

Interviewed in Washington this week, he said that television is sufficiently developed for military use and only awaits adaptation.

"Television may become the eyes of an army", he said. "The army commander would have a chance actually to see what was going on as he planned his strategy."

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Cuban imports of radio sets during July 1939 numbered 1,364 units valued at 23,409 pesos, as compared with 1,900 units valued at 30,484 pesos, imported during June, and 1,933 sets valued at 49,477 pesos, imported during July 1938, according to the U. S. Commerce Department. Imports from The Netherlands during July of this year were nil as compared with 30 units valued at 842 pesos imported in June of this year, and 116 sets valued at 1,724 pesos, imported in July of 1938.

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## WMCA CITED BY FCC FOR CODE MESSAGE BROADCASTS

Station WMCA, New York, on Tuesday was cited by the Federal Communications Commission to show cause why its license should not be revoked for decoding and broadcasting secret military information transmitted by British and German radio facilities at the outbreak of the European war.

The order, the first to be issued by the FCC in a move to keep American radio stations neutral, cited Section 312(a) of the Communications Act as a basis for its drastic action.

Station WMCA's broadcasts, FCC officials said, consisted of secret information having to do with German troop movements in Poland and British naval maneuvers in closing the Mediterranean at the outbreak of the war. A code expert picked up the radio communications via a short-wave receiver. WMCA was able to scoop the press by means of the information.

The FCC, in its order, pointed out that it had entered into an international agreement to take all possible measures to prohibit and prevent (1) the unauthorized interception of radio communications not intended for the general public reception, and (2) the divulging of the contents, the publication or other use of the communications without authorization.

Station WMCA was instructed to file a written statement on the facts in the case by Friday, September 15th.

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## WAR WILL SPEED RADIO PROGRESS, SAYS DELLINGER

A prediction that the war would speed radio improvements was made by Dr. J. H. Dellinger, of the National Bureau of Standards, Chairman of a Committee of radio engineering experts which met at the State Department this week to prepare for United States participation in the session of the International Radio Consulting Committee, scheduled to meet at Stockholm next June unless war causes cancellation.

"During the World War, improvements were made in radio tubes, receiving sets and transmission equipment. When the war ended in 1918, we were ripe for broadcasting, which began in 1920", Dr. Dellinger pointed out, predicting further great advances under similar impetus.

With the world keyed to wartime apprehension for vessels in distress, the radio experts discussed - among many highly technical matters - the best word or signal for a ship with radio-telephonic apparatus to use in calling for help, corresponding to the telegraphic SOS.

The question was whether the international term now in use, "m'aidez" ("help me") in French, and pronounced "mayday" in English would be continued as the radiotelephonic distress call for ships.

The sub-committee on this question, headed by E. M. Webster, of the Federal Communications Commission, checked the question to other nations by making two alternative suggestions in case they had difficulties necessitating a change from "m'aidez".

One suggestion was the replacement of the spoken word "m'aidez" by the sounds corresponding to the English letters SOS.

At that, one engineer spoke up: "The other nations might think we are trying to compel them to speak English!"

"If we're going to have an English term, why not use the word 'Help'?" another engineer inquired, practically.

"Because some people can't say 'Help' - they say 'Elp'!" another man countered, ending the discussion on that particular point.

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## GREAT LAKE RADIO STUDY NEARING COMPLETION

The Federal Communications Commission is concluding a year's investigation of communications facilities on the Great Lakes to be used as a basis for a proposed agreement with Canada.

Thad H. Brown of the Commission, directing the inquiry, said the Commission soon would prepare a comprehensive report on commerce, navigation and the need, if any, for expanded communications machinery.

Congress, which authorized the survey in 1937, directed the Commission to report not later than December 31, 1939.

"This special study has as its goal the very motives for which men have always fought hardest - the guarding of life, the safety of property", Commissioner Brown stated.

He said the legislation was intended to "promote the safety of life and property at sea through the use of wire and radio communications."

"Back of this desire", he added, "is the far-flung effort to make more effective the program of the International Convention for Safety of Life at Sea, adopted in London in 1929, to provide compulsory fitting of merchant ships with radio apparatus and the maintenance of radio watches."

Commission members reported that Canadian officials were cooperating fully with this government toward establishment of identical communications standards for vessels operating on the Great Lakes.

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The question was whether the international term was in "M'ulas" ("Help us") in French, and pronounced "Ma-lu-" so that it could be continued as the mediterranean distress call for ever.

The sub-committee on this question, headed by E. M. Forster, of the Federal communications Commission, checked the station to study matters by making two alternative suggestions in case they had difficulties decorporating a change from "M'ulas" "Ulas" by the sounds corresponding to the English letters 3Ul.

As usual, the engineer made our "The other nations might not be too keen to change to make English!"

"If we're going to help us English turn, why not put in a 'Help'!" another engineer suggested, emotionally.

"Because some people don't say 'Help' - they say 'Elp'!" another man muttered, making the discussion on that particular point.

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## CHEAP LAND BUSH AFTER HEARING CONFLICTS

The Federal Communications Commission is considering a staff's investigation of broadcasting facilities on the Great Lakes to be used as a basis for a proposed agreement with Canada.

Thomas K. Power of the Commission, directing the inquiry, said the Commission now could prepare a comprehensive report on broadcasting, navigation and the basis, if any, for expanding communication facilities.

Congress, which authorized the survey in 1927, directed the Commission to report not later than December 31, 1929.

"This special study has at all good the very motives for which we have always tender hearing - the questions of life, the protection of property, conditions upon which."

He said the investigation had intended to "promote the safety of life and property on the Great Lakes and to secure and maintain communications."

"Part of this desired, he added, "is the far-flung effort to make more effective the problems of the International navigation for safety of life on the, received in Congress in 1928, provide compulsory "Title" to derelict boats, all radio operators and the maintenance of radio services."

Commission members reported that radio activity corporations only with the government through establishment international conditions should be for radio operating on the Lakes.

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## RADIO UNDER PUBLIC RELATIONS IF WAR HITS U.S.

Censorship of radio in this country will be exercised by a special public relations administration if the United States goes to war, according to a plan evolved by the War Department and disclosed this week in Washington.

Details of the operations of the emergency agencies were not divulged. The public relations administration would be directly under the President.

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## PUBLISHERS' ORGAN AGAINST RADIO CENSORSHIP

Editor & Publisher last week came out editorially against any form of radio censorship in the following statement:

"President Roosevelt was well advised in disregarding son Elliott's plea for a rule against broadcasting of foreign propaganda. That is now a matter for the individual judgment of radio operators and they should soon learn from the audiences whether the re-broadcast of the short-wave handouts is a popular service.

"At this writing, we think it is well that Americans be informed on all national attempts to influence our opinions. To date, we have not been impressed by their efficiency. The German, Polish, and Italian broadcasts, which are out-and-out propaganda, discount the ability of Americans either to hear other stations or to read newspapers. The German, especially, has tried clumsily to undermine American confidence in our press - even to the extent of quoting from a non-existent American newspaper. Let's assume the basic intelligence of our citizenry, its belief in our own institutions and news service - and let's have no censorship of any kind on this side of the water."

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## WAR BROADCASTS, COPYRIGHT ON NAB AGENDA

While called particularly to consider music copyright problems, the special convention of the National Association of Broadcasters in Chicago on Friday also will take up the matter of maintaining neutrality in war news broadcasts.

The NAB Directors will meet on Wednesday, preceding the convention, and the IRNA and independents will meet on Thursday. All sessions are to be at the Palmer House.

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CAUTION URGED IN RADIO WAR NEWS BROADCASTS

Broadcasters were warned to exercise both caution and restraint in broadcasting war news either from this country or foreign capitals in a statement on "radio neutrality" in the current "NAB Reports", published by the National Association of Broadcasters.

"Promulgation of the Neutrality Proclamation by President Roosevelt last Tuesday has quite naturally raised in the minds of broadcasters the question 'What is radio neutrality?'" the NAB statement said.

"In considering the broad implications of the Neutrality Proclamation in the broadcasting field, Headquarter feels that the caution exercised by broadcasters should go to points even beyond those covered by the Controversial Public Questions and the News sections of the new NAB Code.

"Though it is felt every broadcaster has endeavored to broadcast factual news, free from bias or editorial opinion, even before the Code was adopted last July, Headquarters would like to point out that the method and manner in which news is handled during the present situation is being as carefully scrutinized as is the content of the news broadcast itself.

"While it should not be necessary for any newscaster or announcer to change his style of delivery, it should be pointed out that all news broadcasts, especially news 'flashes' interrupting another program already on the air, should be handled with the greatest degree of restraint.

"News matter which is obviously sensational, though thoroughly accredited to a responsible source, should be carefully checked and confirmed as far as possible before it is broadcast. Statements in conflict coming from censored belligerent sources should be paired and notice to the public should be given that all news from belligerent countries has passed under the blue pencil of the government censor before becoming available to American listeners.

"Though President Roosevelt stated that the declared neutrality of the United States did not deprive the right of the individual to his own opinion, broadcasters face a difficult and complex problem in alloting time to speakers. In general, Headquarters feels that the Public Controversial plank of the new Code is a safe guidepost for members to follow. While the Code is not yet in effect (the effective date is to be announced by the NAB Board at its meeting next week), it will be recalled that the Code bars all discussion of public controversial matter from paid time (except political - during a political campaign) and requires that time for such discussions shall 'be allotted with due regard to all the other elements of balanced program schedules and to the degree of public interest in the questions to be presented.

Broadcasters shall use their best efforts to allot such time with fairness to all elements in a given controversy.'

"In pointing out the seriousness and complexity of the problem of radio neutrality, Headquarters would like to quote two paragraphs from a recent column by Dorothy Thompson published this week:

"'It would seem essential that while we are considering means of cushioning this country against the economic shock of war, and reconsidering whether the existing neutrality legislation is actually in the best interests of our neutrality, we should also have a policy adopted regarding propaganda, and particularly regarding propaganda on the air.

"'The spoken word is provably far more inflammatory than the written word. The human voice is a more potent conveyor of emotion than is the printed page; it is less likely to appeal to reason; it is more capable of being misunderstood; from time immemorial it has been used to sway and control masses, and this possibility has been incalculably augmented by the radio and the power of reaching millions.'

"Headquarters is aware of the delicate problem of station management and supervision raised by the war period. It is closely following each development on the Washington front and within the industry so as to be in a position to advise members when unforeseen problems arise. A fuller discussion of the matter will be made at the convention next week."

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BRITISH BACK STATION IN LIECHTENSTEIN

Recently a private company, presumably backed by British capital, has established a broadcasting station in the Principality of Liechtenstein under the name of "Liechtensteinische Rundspruch A.G.", Vaduz, according to the American Consulate General at Zurich, Switzerland. This company is at present operating a small broadcasting station of 1.5 kilowatts on 209.9 meters. Beginning March 4, 1940, it is expected to operate on 198.7 meters.

In addition to this station, the same company is contemplating the construction of a short wave station beamed on Great Britain and North America. This station would carry commercially sponsored programs similar to those which the long wave station in the Grand Duchy of Luxemburg now transmits to Great Britain.

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broadcasters finally won their hard efforts to allot such time with
[illegible] to all elements in a given constituency.

"In pointing out the seriousness and complexity of the
[illegible] or radio neutrality, Headquarters would like to quote the
[illegible] from a recent column by Dorothy Thompson published this
[illegible]:

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[illegible] of maintaining this country against the economic shock of
[illegible] and manufacturing weather the existing neutrality legislation
[illegible] is the best instrument in our defensibility, we should
[illegible] have a policy adopted regarding propaganda, and particularly
[illegible] propaganda on the air.

"The people must be provided for some informatory time
[illegible] written word. The human voice is a more potent conveyor of
[illegible] than is the printed page. It is less likely to appeal to
[illegible]. It is more capable of being misunderstood; from time to
[illegible] it has been used to sway and control masses, and this possibility has been intensifying together to the radio and the cosmic
[illegible] media.'

"Headquarters is aware of the delicate problem of [illegible]
[illegible] and supervision which is the [illegible]. It is obvious
[illegible] of difficulties in the Dominion field and within the
[illegible] area to be in a position to avoid workings when [illegible]
[illegible] arise. A fuller discussion of the matter will be made at
[illegible] next week."

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BRITISH RADIO STATION IN LUXEMBOURG

Recently a private company, [illegible] by British
[illegible], has established a broadcasting station in the Principality
[illegible] Luxembourg under the name of "Radiodiffusion Sociale
[illegible] A S ". Today, according to the American Consulate General
[illegible], Antwerpen, this company is [illegible] constructing a
[illegible] broadcasting station of 1.5 million [illegible] on 200 9 meters.
[illegible] March 4, 1940, it is expected to operate on 192.7 meters.

In addition to this station, the same company is contemplating the construction of a short wave station beamed to Great
[illegible] and North America. This station would [illegible] considerably
[illegible] greater stability to those using the long wave station in
[illegible] Study of Luxembourg has [illegible] to Great Britain.

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## TRADE NOTES

Three new pieces of television test equipment, a piezo-electric calibrator, a 5-inch wide-range oscillograph, and a television alignment oscillator, have been announced by the RCA Manufacturing Company. All three have been carefully designed in accordance with present-day television receiver development, and in addition include provision for future television progress, thus minimizing the possibility of obsolescence. The instruments have been designed primarily for servicing RCA Victor television receivers, but may be adapted readily to other present day sight-and-sound receivers.

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Offices have been opened in the New York Herald Tribune building for the new radio checking service announced by Burrelle's Press Clipping Bureau. The Radio Reporter, first of its kind in the clipping bureau field, aims to perform the same functions in collecting news mentions on the air of interest to its clients as Burrelle's has done for more than 50 years with newspapers and magazines. Coverage will be world-wide in scope, with trained newsmen "listening-in" 24 hours a day, it was announced.

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The Farnsworth Radio and Television Corporation has completed arrangements with the Commercial Credit Company, Baltimore, for financing of dealers' sales of Farnsborth products.

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Friday, September 22nd, will be deForest Day at the New York Fair, and the veteran inventor will be there in person, as the guest of the Fair and of the Veteran Wireless Operators' Association, of which latter organization he is honorary president.

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Members of the Washington Institute of Radio Engineers Monday night listened to radio signals broadcast from a stratosphere balloon that rose 10 miles in less than an hour. The balloon carried a 2-pound weather station and a radio transmitter. The engineers by listening to the broadcast, learned that at 50,000 feet the temperature was 58 degrees below zero and the humidity was 30 percent.

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An increased operating schedule to Europe for General Electric's international radio station WGEO that will provide European listeners with three more hours of American programs daily has been announced by C. H. Lang, Manager of Broadcasting. Directional antennas will be used, pointed on London, for the additional service from 3 to 6 P.M.EST. It was also announced that the G.E. Station KGEI, Treasure, Island, Calif., will add a new frequenty to its two already in use. The station will broadcast on 6,190 kilocycles, 48.46 meters, from 9 P.M. to midnight PST.

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# TRADE NOTES

There are three types of television test equipment, a type-
scope oscillograph, a 3-tube cathode-ray oscilloscope, and a
tube alignment oscillator, have been announced by the Cathode-
Ray Tube Company. All three have been specifically designed
to be used with present-day television receivers. The equipment
includes provision for testing television receivers,
maintaining the proportions of synchronizing. The instrument
has been designed primarily for servicing of radio receivers,
but may be adapted readily to other present day cathode-
ray tube receivers.

---

Offices have been opened in the New York Herald Tribune
building for the new radio advertising service announced by Herald
Tribune Broadcasting Bureau. The Radio Reporter, first of its kind in
the Broadcasting Bureau field, aims to perform the same functions in
advertising news matters as the air of interest to the advertiser
reader's has done for more than 60 years with news-gathering and
matters. Coverage will be world-wide in scope, with training
from "listening-in" 24 hours a day, 12 days announced.

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The Pennsylvania Sales Are Television Corporation has come
to an arrangement with the Commercial Credit Company, Baltimore,
financing of deferred sales of Pennsylvania products.

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Friday, September 20th, will be Reporter Day at the New
York Fair, and the reporter bureau will be there in person,
guest of the Fair and of the Victor Talking Machine Company.
Relation, of which Victor organization be is honorary president

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Members of the Wireless Institute of Radio Engineers
may right listened to radio signals broadcast from a stratosphere
balloon over 10 miles in here than an hour. The signal
was received a 5-point radio station and a radio transmitter
employed by listening to the broadcast. Issued that at
20,000 feet the temperature was 67 degrees below zero and the
was 30 percent.

---

An increased operating schedule is to go into effect
Radio's International radio station WRCA that will grant
Spanish listeners with three more hours of service programs
has been announced by F. M. Long, Director of Programs.
Additional programs will be used, centered on London, the
principal service from 8 to 9 P.M. EST. It was also announced
that the S.S. Station WCEI, Transmitter, Island, Delft, will
be frequently to be the energy to use. The station will
on 9,100 kilocycles, 32.42 meters, from 7 P.M. to midnight.

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## A.F.of L. REJECTS C.I.O. MERGER PROPOSAL

Frank B. Powers, President of the A. F. of L. Commercial Telegraphers' Union, this week rejected a proposed merger with the C.I.O. American Communications Association. The proposal was made by Mervyn Rathborne of New York, President of the A.C.A., as the C.T.U. opened its convention in Chicago.

"This C.I.O. outfit spent two years and $100,000 trying to destroy our union", Mr. Powers said. "Now that they have failed, they ask us to unite with them. Such tactics are a sample of the communistic methods employed by the group sponsored by John L. Lewis."

Mr. Powers declared that the communication from Mr. Rathborne would not even be officially received by the convention.

Mr. Rathborne's letter stated that the only objection to a merger is whether the resulting union should affiliate with the C.I.O. or the A. F. of L. He suggested that this question be settled "democratically" by the memberships of the unions.

Mr. Powers said the C.I.O. union had won most of its members by closed shop agreements obtained by means of sit-down strikes, a method, he said, which the commercial telegraphers have spurned.

Sixty delegates, twenty of them from Canada, represent members employed by press wire services, brokerage firms, leased wire operators and radio telegraph companies.

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## SPAIN URGING WIDESPREAD USE OF RADIO SETS

While the Nazi government of Germany has confiscated all radio sets other than those that can receive programs and news only from local stations, in Spain the Franco government has so encouraged the making and transportation of sets that the Hendaye correspondent of The London Times conjectures that Spain will soon have more radio fans in proportion to the population than any other country in Continental Europe. There is no tax on sets and the import duties have been lowered.

This does not apply to broadcasting apparatus, however, the possessors of which pay a high license and are under constant government surveillance. Official information and entertainment are broadcast from a semi-government organization recently established on the same lines as the BBC in London.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF SEPTEMBER 15, 1939



No. 1157

WMCA DENIES ILLEGAL BROADCAST; EXPLAINS ERROR

Donald Flamm, President of the Knickerbocker Broadcasting Company, on Thursday filed a formal answer with the Federal Communications Commission, denying the charge that Station WMCA had broadcast decoded military information of the British and French in violation of an international treaty.

Previously, in an informal explanation to the press, he stated that the FCC action resulted from over-zealousness on the part of the WMCA Promotion Department. All news broadcasts, he said, came from accredited news agencies, and the station at no time employed a code expert to pick up the secret military information for WMCA's use.

A hearing is expected to be held by the FCC, but indications are that no drastic action will be taken by the Commission if the facts are proved as related by Mr. Flamm.

William Weisman, Vice-President of the Knickerbocker Broadcasting Co., filed the affidavit with the FCC in answer to the Commission's order to show cause why its license should not be revoked. The affidavit follows, in part:

"Knickerbocker Broadcasting Company, Inc. (WMCA) neither directly nor indirectly intercepted or caused the interception of secret radio communications sent by the governments of Germany and Great Britain, respectively, or any said governments to govern the movement of said forces in time of war. Neither has Knickerbocker Broadcasting Company, Inc. (WMCA) at any time, under any circumstances, intercepted any code messages of any government in time of war or any other times.

"In the course of its daily broadcasting schedule, Knickerbocker Broadcasting Company, Inc. (WMCA) has broadcast news dispatches, including those emanating from the governments of Germany and of Great Britain. However, Knickerbocker Broadcasting Company, Inc., (WMCA) has no news-gathering bureau of its own and relies entirely for its sources upon accredited news-gathering agencies.

"In connection therewith, Knickerbocker Broadcasting Company, Inc. (WMCA) has a written contract with King Features Syndicate, Inc. (International News Service Department). By virtue of said agreement there is installed in the offices of Knickerbocker Broadcasting Company, Inc. (WMCA) a news ticker to which is transmitted the regular news service of King Features

Syndicate, Inc. (International News Service Department). Knickerbocker Broadcasting Company, Inc. (WMCA) edits the said news reports and prepares the same for broadcasting.

"Because of the unusual situation in Europe during the past few weeks, and of the great interest of the American people in every phase of news emanating from Europe, Knickerbocker Broadcasting Company, Inc. (WMCA) entered into an agreement with the New York Herald Tribune, by the terms of which the New York Herald Tribune has furnished Knickerbocker Broadcasting Company, Inc., (WMCA), for broadcasting purposes, special news flashes which it has received from its own direct sources and correspondents in Europe.

"By virtue of an oral arrangement with the New York Daily Mirror there is broadcast over the facilities of Station WMCA, once each day for 15 minutes, a news program emanating directly from the editorial rooms of the said New York Daily Mirror. These broadcasts have always consisted of news items which had already appeared in that publication.

"I state upon my oath that Knickerbocker Broadcasting Company, Inc. (WMCA) has not had, nor has it now, any knowledge of any secret or other code used by the governments of Germany or of Great Britain, or of any of the departments of either of said governments.

"By this affidavit I swear that Knickerbocker Broadcasting Company, Inc. (WMCA) has not broadcast any news item or other information which it obtained illegally or which Knickerbocker Broadcasting Company, Inc. (WMCA) had any reason to believe was obtained illegally by any other person, firm or corporation. In fact, all of the news items which were broadcast by Knickerbocker Broadcasting Company, Inc. (WMCA) have appeared in the daily newspapers in the regular course of publication.

"I am aware of the advertisement which appeared in the Radio Daily of September 6, 1939, in which is reproduced excerpts from columns published in New York City newspapers, and in which it is stated that WMCA had decoded secret orders of the governments of Germany and Great Britain. Knickerbocker Broadcasting Company, Inc. (WMCA) does not control, directly or indirectly, in any manner, either the said publications or any of the writers of the said columns. Knickerbocker Broadcasting Company, Inc. (WMCA) used the said items in the advertisement only as an indication of the fact that WMCA did broadcast the news items in advance of other radio stations or in advance of their publication in the daily newspapers in New York City, but not for the purpose of advertising that WMCA had in fact intercepted or decoded any of the secret orders of Germany, Great Britain or any other government."

[illegible]dicate, Inc. (International News Service Department), [illegible]
[illegible]er Broadcasting Company, Inc. (WMCA) added the [illegible] news
[illegible] and prepare the same for broadcasting.

"Because of the unusual attention in Europe during the
[illegible] two weeks, and of the great interest of the American people
[illegible] every phase of news emanating from Europe, Knickerbocker Broad-
[illegible]casting Company, Inc. (WMCA) entered into an agreement with the
[illegible] New York Herald Tribune, by the terms of which the New York Herald
[illegible] Tribune was furnished Knickerbocker Broadcasting Company, Inc.,
[illegible] (WMCA), for broadcasting purposes, special news flashes which it
[illegible] received from its own direct sources and correspondents in
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"By virtue of an oral arrangement with the New York
[illegible]ly Mirror there is broadcast over the facilities of Station
[illegible]A, once each day for 15 minutes, a news program emanating dir-
[illegible]ly from the publication's issue of the said New York Daily Mirror.
[illegible] companies have directly complained of news items which had
[illegible]ready appeared in their publications.

"I state upon my oath that Knickerbocker Broadcasting
[illegible]ny, Inc. (WMCA) has not, nor has anyone in our, any knowledge of
[illegible] agents or other code used by the governments of Germany or of
[illegible] Britain, or of any of the departments of either of said
[illegible]ments.

"By this affidavit I mean that Knickerbocker Broadcast-
[illegible] Company, Inc. (WMCA) has not intercepted any news item in other
[illegible]ation which it obtained illegally or which Knickerbocker
[illegible]ing Company, Inc. (WMCA) has any reason to believe was
[illegible] illegally by any other person, firm or corporation. In
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[illegible]ing Company, Inc. (WMCA) were appeared in the daily news-
[illegible] in the regular course of publication.

"I am aware of the advertisement which appeared in the
[illegible] of September, 1939, in which it purported except
[illegible] volume published in the Times City newspapers, and in which it
[illegible]ated that WMCA Broadcasting Company is the government
[illegible] and Great Britain. Knickerbocker Broadcasting Company,
[illegible] (WMCA) does not control, directly or indirectly, in any
[illegible]er, either the main publications or any of the writers of the
[illegible] columns. Knickerbocker Broadcasting Company, Inc. (WMCA)
[illegible] the said items in the advertisement only as an indication of
[illegible] that WMCA will broadcast the same items in advance of
[illegible]er radio stations or in addition to their publication in the
[illegible] newspapers in New York City, and not for the purpose of
[illegible]ating that WMCA and its front Incorporated by Knicker-
[illegible] agent or servant of Germany, Great Britain or any other government."

Earlier, Mr. Flamm explained the origin of the Radio Daily advertisement, thus:

"The placing of an advertisement in a radio trade paper, using these newspaper clippings, was a promotional stunt executed by our Advertising Department, designed to indicate WMCA's alertness in the presentation of war news. Desirous of protecting its news sources in the interest of competitive reporting, WMCA made no effort to correct erroneous impressions of its coverage which were rumored."

George Ross in The New York World-Telegram of August 31, according to the material submitted by WMCA for The Radio Daily advertisement, said:

"WMCA flashed the British Admiralty orders and the secret German naval orders before these became public knowledge. And the story of these exclusives is this: Several weeks ago the station hired an expert of naval code, who stationed himself near the short-wave receiver of a local morning newspaper. As secret orders from shore to ship were flashed from England and Germany, he quickly decoded them and rushed his findings to the microphones."

Attributed to Ben Gross in The New York Daily News, WMCA's advertisement called attention to the airing of a British Admiralty code message "ordering the closing of the Mediterranean."

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PERSHING LAUDS RADIO, PRESS FOR WAR NEWS

General John J. Pershing, in a statement issued in Washington on his seventy-ninth birthday, praised the radio and press for its coverage of the European crisis and war developments.

"My information of the military situation at home and abroad is largely common to the general public, which is, I believe, about as well informed regarding the daily progress of the tragic events in Europe as the government officials, thanks to the press and radio", he said.

Among his visitors at Walter Reed Hospital, where he is undergoing a periodical check-up, was Maj. Gen. James G. Harbord, former Chief of Staff under Pershing, now Chairman of the Board of the Radio Corporation of America.

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NAB FORMALLY ADOPTS CODE; TALKS COPYRIGHT

Meeting in a special convention in Chicago this week-end, the National Association of Broadcasters adopted its code of self-regulation, drafted early this Summer, and authorized Neville Miller, President, to appoint a Committee "fully empowered to interpret and enforce the code throughout the industry."

At the same time it considered the later code relating to war news broadcasts, already adopted by the networks, and indicated it would adopt a similar policy.

Discussions were underway as to what the NAB will do about the music copyright problem.

Beginning October 1st, all member stations will provide free time for the discussion of controversial public issues, the Board of Directors of the NAB announced.

Time may be sold for political broadcasts only.

"The political broadcasts excepted", Mr. Miller explained, "are any broadcasts in connection with a political campaign in behalf of or against the candidacy of a legally qualified candidate for nomination or election to public office, or in behalf of or against a public proposal which is subject to ballot. This exception is made because at certain times the contending parties want to use and are entitled to use more time than broadcasters could possibly afford to give away."

The policy was adopted, he said, because without it the radio forum could gravitate almost exclusively to those with the greater means to buy time. The code, he said, insures that radio will remain a free and democratic form of public discussion. He termed it an "outstanding example of voluntary industrial self-regulation, conceived and executed in the public interest."

The code also requires that news broadcasts be factual and without bias or editorial opinion. It provides that children's programs be based upon "sound social concepts" and that no one shall be permitted to use radio to attack another's race or religion.

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The Catawba Velley Broadcasting Company, Hickory, N.C., was granted a construction permit this week by the Federal Communications Commission to use 1370 kc., 100 watts night, 250 watts local sunset.

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## FCC PLEASED WITH WAR NEWS CODE ADOPTION

While refraining from a formal endorsement, members of the Federal Communications Commission this week made no secret of their approval of the action taken by the major networks and the National Association of Broadcasters in adopting a self-imposed code restricting war news broadcasting.

"I feel very optimistic over the way that the industry has shouldered its responsibility", James L. Fly, Chairman of the FCC, commented.

While the special three-man committee, composed of Chairman Fly and Commissioners T.A.M. Craven and Thad H. Brown, will continue its study of the relation of the European war to U. S. radio, indications are that no drastic curbs will be placed on the broadcasting industry as a whole.

The Chairman is inclined to proceed cautiously, and, as Stephen Early, secretary to the President, suggested, let radio alone so long as it behaves itself. He nees no need at this time for the promulgation of any iron-clad rules governing news broadcasting and comments on the war.

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## FCC TO PROBE BAR ON ANTI-COUGHLIN SPEECH

An investigation of the refusal of Station WJR, Detroit, to broadcast a speech by the Rev. Walton E. Cole, of the First Unitarian Church, Toledo, O., attacking Father Coughlin, will be undertaken by the Federal Communications Commission, according to T. J. Slowie, Secretary.

Reverend Cole, in a complaint to the FCC, charged that WJR was refusing to afford both sides of an issue to speak over its facilities. WJR is the key station in the Coughlin hook-up.

"Insofar as your complaint states WJR is acting as a vehicle for one-sided propaganda, rather than for free discussion of controversial subjects, it will be investigated by this Commission and the incident described considered as it may bear upon whether WJR is operating in the public interest", Mr. Slowie replied.

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## LABOR S-W STATION DENIED RENEWAL

The Federal Communications Commission this week denied the application of the Chicago Federation of Labor for renewal of license for international broadcast station W9XAA, and dismissed without prejudice the application of Radio Service Corporation of Utah for consent to voluntarily assign the license of Station W9XAA from the Chicago Federation of Labor to the Radio Service Corporation of Utah and move the station's location from York Township, Ill., to Saltair, Utah.

The Commission's conclusions based upon its proposed findings included the following:

"The licensee of international broadcast station W9XAA failed to establish that it was engaged in a program of research and experimentation contemplated by the Commission's rules governing broadcast stations in the international service, in effect during the period in which the license for this station was outstanding.

"International broadcast station W9XAA was not maintained and operated in accordance with the Commission's rules governing broadcast stations in the international service, in effect during the period in which the license for this station was outstanding.

"The Chicago Federation of Labor is not technically qualified to operate international broadcast station W9XAA in accordance with the rules of the Commission governing broadcast stations in the international service and has not shown that it is able and willing to finance the operation of such station.

"The granting of the application for renewal of the license of international broadcast Station W9XAA will not serve public interest, convenience or necessity.

"In view of the foregoing conclusions, it is unnecessary to consider the application for assignment of the license of international broadcast station W9XAA from the Chicago Federation of Labor to the Radio Service Corporation of Utah since the Commission's refusal to renew the license of international broadcast station W9XAA leaves the Chicago Federation of Labor with no license to assign to the Radio Service Corporation of Utah, and the application for consent to assignment of license should, therefore, be dismissed."

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The U. S. Civil Service Commission has announced an open competitive examination for the job of air carrier inspector in the Civil Aeronautics Authorityat $3,800 a year.

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## FCC AMENDS RULE ON DISK ANNOUNCEMENTS

The Federal Communications Commission this week amended Section 3.90 (a) (2) of the Standard Broadcast Rules by deleting the words "together with the name or title of each" and adding the words "of the complete program" so that the rule will read:

> "...(2) An entry briefly describing each program broadcast, such as 'music', 'drama', 'speech', etc., together with the name or title thereof, and the sponsor's name with the time of the beginning and ending of the complete program. If a mechanical record is used the entry shall show the exact nature thereof such as 'record', 'transcription', etc., and the time it is announced as a mechanical record. If a speech is made by a political candidate, the name and political affiliations of such speaker shall be entered."

The Commission's action was taken following complaint that the previous rule requiring a log entry of the names of the particular records used imposes a financial burden, particularly on local stations. The Commission also stated that a further study would be made of the rules governing log entries to insure that they impose no unnecessary burden on any particular group of stations.

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## NAZIS STAGE TELEVISION SHOWS IN LATIN AMERICA

The first television exposition to be held in Chile, staged this Summer, was held under the auspices of, and conducted by engineers of the "Institute of Investigation of the German Mails", an official agency of the German government and all of the equipment used was of German manufacture, according to the American Commercial Attache at Santiago.

"The event was given wide publicity in the press and appeared to be another effective example of German propaganda in South America", the report stated.

"The exhibition is apparently on a tour of South American and the some 20 truckloads of equipment were shipped to Chile from Buenos Aires where it is understood a similar exposition was held."

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## LOCAL STATION DENIED CAPITAL APPLICANT

The Federal Communications Commission this week denied the application of Lawrence J. Heller, attorney, for a construction permit to establish a new station in Washington, D. C. to operate on 1310 kc.,- with 100 watts night, 250 watts local sunset, unlimited time, and application for a special experimental authorization to construct and operate a synchronous station in Washington, to be used in conjunction with the facilities requested for a broadcast station, with 10 to 100 watts power, unlimited time. The frequency formerly was used by Station WOL.

"The Commission's plan of allocation contemplates the use of local frequencies by stations proposing to serve small centers of population and the adjacent rural areas", the FCC explained. "Regional frequencies are set aside to provide service to large centers of population, such as the Washington, D. C. metropolitan district, and the contiguous areas. The assignment requested for a construction permit, is for a station to operate on a local frequency. The station proposed cannot serve the large number of people residing within substantial portions of either the metropolitan district or the District of Columbia itself. Accordingly, taken by itself, this application would have to be denied."

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## CROSLEY TAKES ON FOOTBALL TEAM TOO!

Powel Crosley, Jr., owner of Stations WLW and WSAI, Cincinnati, who manufactures radios and automobiles, etc., and is President of the Cincinnati Reds, National League leaders, has taken on a professional football team to look after in his spare time.

He has acquired a financial interest in the Cincinnati Bengals, which made a good record last year in its first season. Station WSAI will have exclusive right to broadcast games from Crosley Field.

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## BULLOCK NAMED G.E. UNIT AD MANAGER

Boyd W. Bullock, for the last seventeen years associated with the Publicity Department, and now Assistant Manager of Broadcasting, of the General Electric Company at Schenectady, has been appointed Advertising Manager of the company's Appliance and Merchandise Department at Bridgeport, Conn., H. L. Andrews, Vice-President in charge of appliance activities, announced this week. Since 1933, Mr. Bullock, a native of Evansville, Indiana, has been Assistant Manager of the Publicity Department. He will direct the advertising and promotion program for G.E. products sold to consumers through retail channels and for products of the Plastics Department at Pittsfield, Mass.

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## TRADE NOTES

Effective Sunday, September 24, Station WKRC will become the basic outlet for the Mutual Broadcasting System in the Cincinnati area. Operating with 5000 watts day and 1,000 watts night, on 550 kilocycles, WKRC is under contract of sale to the Cincinnati Times-Star, subject to approval of transfer by the Federal Communications Commission. Former owner was the Columbia Broadcasting System.

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Transradio News Service, in a note to station clients last week, warned them against falling for the scarehead war news sent out by the other press associations. The note was the most sizzling blast of criticism that one news collecting agency has directed against another since rivalry began in furnishing news for radio.

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Eugene Lyons, well known newspaperman, foreign correspondent, editor and writer is featured as commentator by Station WMCA, New York, in a new series of nightly programs which began this week.

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After the reopening of radio telephone service Wednesday to six more European countries, a continuous flow of transatlantic conversation passed over the new circuits of the American Telephone and Telegraph Company to Italy and the Netherlands, according to the New York Times. Telephone service was resumed with Belgium, Bulgaria, Denmark, Germany, Lithuania and Yugoslavia.

On Tuesday service was reopened with Holland, Hungary and Switzerland, the New York-Rome circuit having been opened on Monday.

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A feature of London's Radiolympia exhibition which closed a short time ago was the section devoted to television receivers, according to World-Radio. The keynote of the display, the BBC organ reported, was "Television to suit all pockets". The prices ran as low as 24 pounds, or approximately $100.

"No fewer than five sizes have been standardized for direct vision sets; approximately 5 in. by 4 in., 6 in. by 5 in., 8 in. by 6 in., 10 in. by 8 in., and 12 in. by 10 in., while a 'projected image' receiver gives a picture 18 in. by 14½ in.", the reviwer stated.

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## TRADE NOTES

Effective Sunday, September 24, Station WMCA will become a basic outlet for the Mutual Broadcasting System in the Metropolitan area. Operating with 5000 watts day and 1,000 watts night, 570 kilocycles, WMCA is under contract to be able to "preempt" Mutual-Star, subject to approval of transfer by the Federal Communications Commission. Former owner was the Atlantic Broadcasting Corporation.

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Transradio News Service, in a move to combine efforts with work, across-the-ocean relaying the transoceanic news cast out by the entire press associations. The idea was the result of criticism that one news collecting agency was forced against another more widely used in obtaining news material.

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Sugene Lyons, well known newspaperman, foreign correspondent, editor and writer, is featured as commentator by Trylon Corp., New York, in a new series of weekly programs which began last week.

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After the recording of radio television service Televoice, six more companies contracted, a continuous flow of transcriptions operating along the two circuits of the American Telephone and Telegraph Company to Italy and the Mediterranean, according to the New York Times. Televoice service has reached Belgium, Holland, Germany, Denmark and Yugoslavia.

It is expected service will resume with Italy. Thus far contracts for the New York-Rome circuit having been opened on Sunday, the 11th.

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A feature of London's radiofonia exhibition which closes [illegible] was the electric dryer to television receivers, [illegible] to Reginald Dyer. The inventor of the dryer, the [illegible] Reginald, was interested to hear all about it. The power [illegible] is low so it works for approximately 4100.

The dryer, incidentally, have been advertising for [illegible] vision sets approximately 5 in. by 4 in., 6 in. by 5 in., [illegible] by 6 in. Television tubes, and 12 in. by 10 in., while a [illegible] "projected image" may be 15 in. by 12 in. [illegible] larger states. [illegible]

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## RCA TRAFFIC SUPERINTENDENT DIES

Walter E. Wood, Traffic Superintendent of R.C.A. Communications, Inc., died Thursday at his time in Dumont, N. J., after a nine-month illness. Mr. Wood, a World War veteran, was 53 years old.

Mr. Wood was born at Shornecliff Camp, near Folkestone, England, a British military encampment. His late father was a British Army officer.

In 1919 Mr. Wood was appointed Superintendent at the Chatham (Mass.) station of the Radio Corporation of America. Upon the closing of that station in 1922, he became Assistant Superintendent of the company's Central Radio Office in New York. He became Superintendent of Traffic for R.C.A. Communications in 1937. He was a naturalized American.

Surviving are his widow, Mrs. Xena Wood, and two sons, Walter C. and Robert Wood, all of Dumont.

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## "BIG BUSINESS AND RADIO" BARES DEALS

Volume two of Dean Archer's history of radio has just come off the press, with the title "Big Business and Radio". For almost five hundred pages the author uncovers the inside story of agreement and disagreement among the leading American electrical and communication companies, giving indisputable proof of his findings in the form of quotations from actual letters and contracts. The volume sells for $4.00 at the American Historical Society, 80 Eighth Avenue, New York.

"I believe that this book will be the final authority on the subject", states General Harbord, RCA's Chairman of the Board. "You have built yourself a monument in this great work." "A wealth of detail, research, precision and labor", is the opinion of another reviewer.

The final chapter of the book is devoted to David Sarnoff's vision of radio's future.

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## RCA TRAFFIC SUPERINTENDENT DIES

Walter E. Wood, Traffic Superintendent of R.C.A. Communications, Inc., died Thursday at his home in Belmont, N. J., after a nine-month illness. Mr. Wood, a World War veteran, was fifty-five years old.

Mr. Wood was born at Bloomfield, N.J., near Fairbanks, Alaska, a British military encampment. His late father was a British Army officer.

In 1919 Mr. Wood was appointed Superintendent at the Bremen (Germany) station of the Radio Corporation of America. On the closing of that station in 1920, he became Assistant Superintendent of the company's Central Radio Office in New York. He became Superintendent of Traffic for R.C.A. Communications Inc. in 1927. He was a native first American.

Surviving are his widow, Mrs. Jane Wood, and two sons, Walter G. and Robert Wood, all of Belmont.

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## "BIG BROTHERS AND MAJOR" SERIES DETAILS

Volume two of Max Gropp's history of radio has just come off the press, with the title "Big Brothers and Radio". For about five hundred pages the author describes the radio story of government and Congressional action, the leading American electrical communication corporations, state municipal proof of air stations in the formal negotiations from national lighters and commerce. The volume sells for $4.00 at the American Historical Society, 80 Eighth Avenue, New York.

"I believe that this book will be the final authority on the subject", states General Harbord, RCA's Chairman of the Board. "You have built yourself a monument in this great work, a wealth of detail, precision, practicing and labor", is the opinion of another reviewer.

The final chapter of the book is devoted to Davis Sarnoff's vision of radio's future.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF SEPTEMBER 19, 1939



No. 1158

September 19, 1939.

RADIO TO FIGURE, NOT LEGISLATIVELY, AT EXTRA SESSION

While radio will have an important role in covering the highlights of the extra session of Congress, which begins Thursday, and doubtless will come in for some debate on the Senate and House floors from time to time, Administration sources have not revealed any plans for new legislation affecting broadcasters.

The Special Federal Communications Commission Committee which is studying the effects of the European war on American radio has come to no final decision, it is understood, but indications are that it will not propose any legislation at this time. At the regular session, beginning in January, however, the FCC may ask for an increased staff to keep closer check on radio communications.

Much will depend, of course, upon developments during the next few weeks, but the Communications Act already gives the President ample powers to meet an emergency if radical changes in radio control are deemed necessary.

While there are no indications at present that censorship will be invoked except upon the entrance of the United States into the war, officials are looking ahead and wondering where the radio control will be vested in such an eventuality.

Members of the FCC refuse to discuss the matter at this time, but it is known that some of them feel that the Commission is best equipped to act as radio's censor although War Department planners hold that an emergency Military Board should direct censorship control of both the press and the radio.

When censorship is invoked, as it is bound to be if war comes, broadcasters hope that they will be given as much freedom as the press. Whether the job of policing the stations would be transferred in part to an emergency or military agency is conjectural. Far-seeing leaders in the radio industry believe they would fare better in the long run if the Federal Communications Commission does not do the job, for experience has shown that emergency military agencies expire as a rule when peace returns but civil authorities are not easily shorn of authority once obtained.

Even in war-time, it is likely, the American listener will be able to tune in his favorite swing band or comedian, regardless of how his news may be edited before being broadcast

or published. It is not conceivable, moreover, that Americans would be deprived, as have the Germans, of the right to tune in foreign short-wave stations if they desired to do so.

Great Britain may be cited as an example of how American radio may be expected to act during a war involving this country. There the government, while censoring news, is encouraging the broadcasting of light entertainment. It helps morale, the English believe.

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## TRANSRADIO PLANS FACSIMILE-NEWSPAPER CHAIN

A newspaper to be started late this Fall or early this Winter in Hartford, Conn., may be the first in the chain of facsimile-processed papers planned by Herbert Moore, head of Transradio Press Service. At the outset the new paper will receive its news from Transradio by teletype, as there can be no prefabrication until a sufficient number of papers are signed up to make the idea economically feasible, Mr. Moore explained. After the paper has established a suburban and rural circulation, it plans to use facsimile broadcasting, in conjunction with a local station, to distribute its papers to subscribers in these sparsely populated areas, Mr. Moore added.

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## RADIO PREVENTS RECURRENCE OF "BOTTLE NECK"

Radio has prevented recurrence of the London communications "bottleneck" that developed in the World War, the Commerce Department reported this week.

Though the new European war resulted in a tremendous increase in volume of cable, radio and telephone traffic between this country and Europe, existence of direct, high-speed radio telegraph circles between the United States and over 60 nations has made possible adequate trans-Atlantic service.

At the beginning of the World War, the Department recalled, London, because of her cable supremacy, was the communications center of the world. A "bottleneck" therefore developed, greatly delaying telegraphic communications.

Radio has changed the picture completely, and present facilities are judged more than adequate to meet the increased war demands.

Althoth the belligerents have restricted international telephone service, American telephone concerns have re-established service with Belgium, Denmark, Germany, Lithuania, Bulgaria, Yugoslavia, The Netherlands, Hungary, Switzerland and Italy, the Department said.

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# NAB FORMS MUSIC UNIT TO FIGHT ASCAP CONTROL

A long smouldering resentment against the control of copyrighted music by the American Society of Authors, Composers, and Publishers broke into an open attack by the National Association of Broadcasters last week-end at a special convention in Chicago.

The NAB, preparing to raise what was termed "a war chest" of $1,500,000, announced it would establish its own supply of music for radio broadcasting through a new corporation to be known as Broadcast Music, Inc.

The first response of the ASCAP was a brief statement by Gene Buck, President, to the press to the effect that he wondered where NAB would get its music. Most composers, authors and publishers, he said, belong to ASCAP. NAB made a similar attempt to break away several years ago, it was recalled, but subsequently abandoned the move.

The new NAB project was devised by Sydney M. Kaye, New York attorney retained by the broadcasters. It provides for the issuance and sale of stock to the member stations. Neville Miller, President of NAB, will act as temporary President of Broadcast Music, Inc., but executive personnel will be employed.

Broadcasters represented at the Chicago convention pledged to buy stock in the corporation up to 50 percent of their payments to ASCAP in 1937. In that year radio paid the copyright society $3,800,000.

Admitting that ASCAP has substantial control of existing music demanded by broadcasters, broadcasters still hope to obtain an agreement with ASCAP which would look toward payment only on ASCAP music used, rather than a tax on the station's entire income. The objective, NAB declared, is to procure a "per program" basis of payment, with clearance at the source.

NAB takes the view that the additional catalogs of music would parallel and act as a partial substitute for the ASCAP catalog. If necessary, however, the industry would try to get along on its own music.

The basis on which the $1,500,000 fund would be employed was outlined to the convention and approved as proposed. Under it, $300,000 of the total would be paid by stations for the stock, the remaining $1,200,000 to be paid for initial "license fees" to the corporation. There would be 100,000 shares of stock issued at $1 par value. Of this stock 80,000 shares would be offered at $5 a share, of which $1 would constitute capital and the remaining $4 capital surplus.

Each broadcaster would be offered that number of shares which would make the total amount paid for stock equal to 10% of the broadcasters' 1937 ASCAP fee. To prevent alienation of stock, the broadcaster first would have to offer it to the corporation if he desired to sell.

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BRITISH RADIO TO "CARRY ON", SAYS BBC ORGAN

The British Broadcasting Corporation will carry on many of its normal broadcasting functions throughout the war as well as keep the British Empire informed of newsworthy developments, the Radio Times, BBC journal, declares.

"Last week on this page we said that broadcasting would carry on", the Times says. "That promise was based on the knowledge that preparations for any emergency had been made by the BBC, and that everything was in readiness to make the change from peacetime broadcasting to broadcasting in time of war. The first test came on the afternoon of Friday, September 1, when the change-over of wavelengths was made. That, as listeners know, was accomplished as smoothly as even the BBC engineers (who are exacting in their standards) could desire. During that Friday, broadcasting surmounted the difficulties caused by the restriction of transport and by the black-out. There remained the acid test of war itself.

"Listeners know the result of that test, too. Broadcasting has carried on. From seven in the morning until after midnight, there is always something on the air. British listeners can get news, entertainment, lessons for the schoolchildren, religious services, music - in fact, broadcasting remains one of the most normal things in an abnormal world.

"What the British listener hears of broadcasting, however, is by no means the full output of the BBC. In addition to the Home Service, which runs for nineteen hours a day (with further periods in the early morning if there is any important news), two other British programs are going out every day. One is a short-wave service to the whole world, which runs for nearly twenty-two hours; the other a short-wave service meant primarily for Europe, aided by the use of the medium wavelength that used to be known as the medium-wave National - 261.1 metres. Many listeners in this country have probably picked up these transmissions by now.

"These broadcasts, which consist largely of news, are going out in many different languages. There is a French service for French Canada, as well as one for France; an Afrikaans service for South Africa and the Arabic service, which is the one that has been least affected by the change from peace to war. There

are broadcasts in German and Italian, Spanish for Spain and Spanish for South America, Portuguese for Portugal and Portuguese for Brazil, and the latest language to be added to the list is Magyar. Still more are to come. . . . . .

"In yet another way that is not apparent to the ordinary listener, the BBC has been busy with a useful task. Its studios have been open to American broadcasters speaking from England to the United States, where interest in the fortunes of Britain during this fateful time is at its height. Night and day, these broadcasts are going to America, not by means of BBC transmitters, but from BBC studios. The BBC is not responsible for them, but it is glad to be able to help the American broadcasters with all the facilities that it can provide."

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EDGAR BILL CHAIRMAN OF RADIO CODE COMMITTEE

Preparing to put into effect the National Association of Broadcasters' Code, Neville Miller, President, this week appointed Edgar L. Bill, President of WMBD, Peoria, Ill., Chairman of a committee authorized by the Chicago convention to enforce the rules of conduct. The Code becomes operative October 1.

Ed Kirby, NAB Public Relations Director, will serve as Committee Secretary. Other members include members of the group which drafted the self-regulation code last Summer. They are Lenox R. Lhor, NBC President; Edward Klauber, CBS Executive Vice-President; T. C. Streibert, WOR-MBS Vice-President; Walter J. Damm, WTMJ, Milwaukee; Ed Craney, KGIR, Butte, Mont.; Karl C. Wyler, KTSM, El Paso, Tex.; Samuel R. Rosenbaum, WFIL, Philadelphia, Penna. Two additional members will be named later by President Miller in lieu of Paul W. Morency, WTIC, Hartford, Conn., and Herb Hollister, KANS, Wichita, Kans., who served on the original code group, but who, as members of the NAB Board, cannot qualify. TheBoard itself will sit as a sort of "Court of Appeals" over the Code Compliance Committee.

"The Code is more than an expression of radio policy", Mr. Miller declared. "It is an outstanding example of voluntary industrial self-regulation, conceived and executed in the public interest."

The Code, adopted at the Atlantic City convention, requires that radio stations shall provide free time for the discussion of controversial public issues in such a way that conflicting viewpoints in public matters have a fair and equal opportunity to be heard. In no event will time be sold for such purpose, except for political broadcasts.

"The political broadcasts excepted are any broadcasts in connection with a political campaign in behalf of or against the candidacy of a legally-qualified candidate for nomination or election to public office, or in behalf of or against a public proposal which is subject to ballot. This exception is made because at certain times the contending parties want to use and are entitled to use more time than broadcasters could possibly afford to give away", Mr. Miller said.

This policy governing the discussion of controversial public issues through radio was adopted, Mr. Miller said, "because of the natural limitation of radio facilities and of the number of hours available per day for broadcasting. Without such a policy, the radio forum could conceivably gravitate almost exclusively to those with the greater means to purchase time. The NAB policy insures that radio will remain a free and democratic form for the fair and many-sided discussion of all public matters."

The Code further requires that news broadcasts be factual and presented without bias or editorial opinion. It also provides that children's programs be based upon "sound social concepts" and that radio stations continue to cooperate with educators in the further development of radio as an educational adjunct. It also provides that no one shall be permitted to use radio to "convey attacks upon another's race or religion."

While the full Code becomes effective October 1, the Board ruled that existing commercial contracts shall be respected for their duration, provided they do not run for more than one year after October 1, 1939. "New business, competitive with existing accounts, may be accepted with the same length of commercial copy as is permitted existing accounts." The Board directed that the new Code Committee "shall immediately make itself available to resolve doubts of broadcasters as to whether proposed new business conforms or can be made to conform to the Code."

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## CAPITAL AMATEURS TAKE NEUTRALITY PLEDGE

Roy C. Corderman, Emergency Coordinator for the American Radio Relay League, and Vice Chairman of the Communication and Transportation Committee of the District Red Cross, said this week that Washington amateur radio operators had agreed to special rules for the conduct of their stations in view of the European war.

Members of the Washington Radio Club, Mr. Corderman said, had endorsed a policy of refraining from any communications except those of a strictly amateur character, maintaining an accurate log of every transmission. They agreed not to communicate with amateurs in belligerent countries.

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## TRADE NOTES

Uberto Neely, member of the WLW musical staff and radio director of the Cincinnati College of Music, is in general charge of the Radio Workshop being conducted by that institution this Fall.

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A comprehensive schedule of daily broadcasts especially designed to bring American listeners complete factual coverage of the European war situation was announced last week by the Columbia Broadcasting System. Proper balancing of the schedule required the withdrawal of a number of sponsored and sustaining programs. The times were decided only after careful study of the best methods of programming in relation to probable news sources under conditions created by the war in Europe, CBS officials said.

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Tuesday has been adopted as the regular meeting day of the Federal Communications Commission until further notice. Regular broadcast actions will be handled on that day, along with other routine considerations. Oral arguments will be held on Thursdays, pursuant to the practice established last year, with the Motions Docket, presided over by a Commissioner, to be held Fridays.

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In a complaint issued by the Federal Trade Commission, David H. Fulton, trading as Vendol Company, 1 West Biddle St., Baltimore, was charged with disseminating misleading representations in periodical, circular and radio advertisements, concerning a medicinal preparation designated "Vendol".

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George Crandall, former manager of the concert division of New York's Federal Music Project, has joined the CBS Publicity Department as field representative, according to Louis Ruppel, Director of Publicity. Mr. Crandall has started a trip which will take him to principal cities in the East, South, and Middle West in behalf of CBS sustaining music, education, and drama features. His itinerary includes all the cities which the New York Philharmonic-Symphony Orchestra will visit on its out-of-town schedule starting October 28.

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# TRADE NOTES

Upon Lately, director of the WLW musical organization Radio Center of the Dixieland College of Music, is in general charge of the Radio Workshop being conducted by that institution this fall.

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A comprehensive roadshow of WHAT broadcasts approximately planned to bring American listeners complete coverage of the European war situation was inaugurated last week by the Columbia Broadcasting System. Thomas Lamont, of the roadshow required with national co-operation of commercial and sustaining programs. A three hour dramatization with Mr. Lamont acting as the best thing of programming available for broadcast upon succeed under conditions created by the [illegible], CBS officials said.

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## WLW DISTRIBUTES WAR MAPS TO AID LISTENERS

Into the mail this week went thousands of copies of an elaborate WLW war map, detailing European war areas, and distributed by the station as an aid to both radio listeners and newspaper readers in following developments in the conflict.

The main portion of the map focuses on Central Europe. Printed in five colors, it outlines both the Eastern and Western war fronts, with red swastikas on the German Siegfried Line and fleur-de-lys emblems on the French Maginot Line. Smaller Polish, German and French towns all are identified on the map, which extends northward to picture the Baltic Sea. On the reverse side is a map of continental Europe, for reference if the Mediterranean Sea becomes a theater of war.

Expert cartographers were consulted in making the map, which was drawn with the idea that it would be useful throughout the conflict. Reference to it by news commentators will make it possible for listeners to follow much more closely the movements of troops, and to identify towns bombed, captured, or otherwise affected.

The first announcement of the map distribution was put on the air Thursday night, September 7. By Monday morning, orders for nearly 8,000 had been received, and the daily average now approximates that amount. A sizable portion of the demand was from officials of banks, brokerage houses, railroads and manufacturing concerns.

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## BERLIN DIRECTS S-W WARNING TO U. S.

The Berlin official radio station Monday evening several times broke into short-wave musical programs to the United States to warn American listeners to avoid entanglement in European quarrels, to distrust "anti-American propaganda" designed to involve the United States and to refrain from financing another war, the New York Times reported.

In one of these interruptions a speaker over Stations DJB and DJD analyzed British propaganda methods, as outlined by Sidney Rigerson in his book, "Propaganda in the Next War". In another the broadcaster attacked Great Britain's non-payment of her war debt to the United States.

"American listeners", the broadcaster exhorted, "wake up to the un-American propaganda that is being whispered, talked, shouted to you day after day. It may come through American channels, but its sources are not American.

"Is it American to wish misery and destruction on Americans? Is it American to try to entangle America in the European net?

"Those alien forces that want you for war stop at nothing. They see to it that your newspapers print false reports that have no other purpose than to make you feel that was is inevitable.

"Refuse to admit that there is an un-American destiny for war stronger than the common sense of the American people. You are free. Stay free!"

The speaker recalled that "Uncle Sam was called Uncle Shylock" when the United States sought payment of her war debts from Britain. These, he contended, are now being discharged by the American taxpayers, despite Britain's seizure of wealthy and productive German colonies.

"There never has been told a stranger story", he added, "than the story of the way in which Britain has defaulted to the American taxpayers."

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CBS LENDS PROGRAMS TO MAJOR ARMSTRONG

Beginning this week, Columbia's evening programs will be made available to Major Edward H. Armstrong's 40-kilowatt frequency modulated experimental station W2XMN, located across the Hudson from New York City in Alpine, N. J. The station transmits on a frequency of 42,800 kilocycles, and is said to develop staticless radio reception.

CBS plans to make extensive tests in the field of engineering and auditory perspective to determine the scope of Armstrong's invention and to see how it can be applied toward serving the public in the field of radio broadcasting.

Major Armstrong, Professor of Electrical Engineering at Columbia University, is an outstanding inventor in the radio and electronic field. He is well-known as the inventor of the superhetrodyne circuit which has been universally adopted for radio receivers.

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9/19/39

MUTUAL CELEBRATES SIXTH YEAR OF OPERATIONS

The Mutual Broadcasting System observed its fifth year of operations last Friday. The growth of the Mutual network marks the most rapid expansion in radio history. MBS was formed on September 15, 1934, by WOR, Newark; WGN, Chicago; WLW, Cincinnati, and WXYZ, Detroit. It was officially recognized as America's third national network when Mutual's programs started on October 2, 1934.

The first interchange of programs with the Canadian Broadcasting Corporation was effected on June 1, 1935. The initial transatlantic program was carried over Mutual on its first anniversary, September 15, 1935.

Mutual grossed $1,000,000 in billings for the 1934-35 fiscal year. For the year 1936, Mutual's billings exceeded $2,000,000. Total billings for twelve months of 1938 were $2,920,323, marking the largest year's total in the history of the network.

President W. E. Macfarlane of Mutual announced on June 27, 1936 that the network would become affiliated with the Don Lee network on the Pacific Coast.

The Colonial Network of New England became affiliated with Mutual on July 1, 1936, with Boston's WAAB as a basic member station. Other outlets announced their affiliation with Mutual soon after transcontinental plans were outlined. The Iowa Network and the Central States Broadcasting System joined in the latter part of 1936. On January 1, 1937, Mutual's list of affiliates totaled 38 in the United States and KGMB in Honolulu.

Mutual's California affiliate, the Don Lee Network, became first to conduct daily television demonstrations on the West Coast.

The newly-formed Texas State Network, formed by Elliott Roosevelt, affiliated 23 more stations with Mutual on September 15, 1938, swelling the list to 107.

Mutual's facsimile network began operation on March 11, 1939, with WGN, WLW and WOR. WHK joined later.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF SEPTEMBER 22, 1939



No. 1159

## AMATEURS WARNED; TWO LICENSES SUSPENDED

America's 60,000 radio amateurs, who are credited with many heroic services in peacetime, yesterday were warned by the Federal Communications Commission to obey regulations strictly because of the international situation.

The occasion for the warning was the disciplining of two amateurs for violation of FCC rules. The customary punishment of three months' suspension of licenses was doubled, it was explained, as an example to other amateurs.

FCC officials indicated that radio amateurs probably would be the first to feel the hand of censorship in event the United States goes to war.

The Commission warned that further unauthorized activities, even during American neutrality, may result in the curtailment of amateur operations generally.

Meanwhile, the American Commercial Attache at Ottawa informed the Commerce Department that amateur stations in Canada, all of which operate under licenses as amateur experimental stations issued by the Radio Division of the Department of Transport, have been closed down "for the present time" and equipment placed "in an inoperative condition" under an instruction issued by the Government. The action was attributed to war conditions by officials of the Department of Transport. The order covers "all amateur sending and receiving stations", of which approximately 3,760 were licensed in Canada.

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## WMCA HEARING SCHEDULED BY FCC

The Federal Communications Commission this week ordered a public hearing for next Wednesday in connection with the alleged interception and broadcasting of military secrets of Germany and Great Britain by Radio Station WMCA in New York City.

The Knickerbocker Broadcasting Co., Inc., license of WMCA, through William Weisman, its Vice-President, last week filed a general denial.

The Commission stated that the reply appeared to be incomplete and was not a forthright compliance with original order for disclosure of all the facts. The Commission also disclosed that it had made its own investigation of the alleged incident.

The Commission has the power to revoke the license of the station.

It was learned at the FCC offices that messages to the British and German fleets were addressed as a broadcast to all vessels and were not specifically directed to particular ships. According to the record, the messages were picked up by a radio receiver in a newspaper office in New York and sent out over its regular news service, in the course of which WMCA picked it up and broadcast it.

The Communications Act makes it a criminal offense for any one to disclose the contents of an addressed message.

It was explained by Commission experts that it has no jurisdiction over owners of radio receiving sets and that any disclosure of addressed messages which would be considered a violation of the Act would have to be referred to the Department of Justice for action in the courts.

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RCA LOSES PRIMARY RADIO CONTACT WITH GENEVA

The Federal Communications Commission this week cancalled the authority of the R.C.A. Communications, Inc., to carry on radio communication with Geneva, Switzerland, on a primary basis via point-to-point stations WEU, WEF, WKM, WKP, and WQT. It granted, however, the right to R.C.A. Communications to communicate with Geneva on a secondary basis for the purpose of handling addressed program material and communications incidental thereto.

The Commission on July 12, 1939, issued an order that the licensee, R.C.A. Communications, Inc., show cause, if any exists, why its licenses should not be modified by deleting therefrom authority to communicate on a primary basis with Geneva, Switzerland, in view of the fact that Geneva, although authorized as a primary point of communication in said licenses, is in fact an inactive point of communication.

R.C.A. Communications replied that, although there has been no direct public radiotelegraph service with Geneva for several years, that point is active in the conduct of a program transmission service, and asked that it be authorized as a secondary point of communication solely for the purpose of handling addressed programs and communications incidental thereto.

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# RADIO GOOD WILL MEDIUM, ENGINEERS TOLD BY BRITISHER

While a "war of words" continued over ethereal waves in Europe, the Institute of Radio Engineers meeting in New York this week heard Sir George Lee, recently retired Engineer-in-Chief of the British Post Office, laud transatlantic radio for fostering good-will.

Sir George, who was awarded a Medal of Honor by the Institute, for promotion of international radio, spoke from London to the 300 engineers gathered at the Hotel Pennsylvania.

A second award, the Morris Leibman Memorial Prize, was presented to Dr. Harold Trap Friis, Research Engineer of the Bell Telephone Laboratories, for his investigations in radio transmission, including the development of methods of measuring signals and noise and the creation of a receiving system for mitigating selective fading and noise interference. Both presentations were made by R. A. Heising, President of the Institute.

Operation of the aerological radio sounding equipment now in use at some forty sounding stations of the Weather Bureau, Navy Department and the Coast Guard was demonstrated at the morning session by Harry Diamond of the National Bureau of Standards, Washington.

Data for the more accurate forecasting of weather is obtained through the daily use of a network of radio sounding stations than by any previous experiments in weather findings, according to Mr. Diamond, who prepared his paper in collaboration with F. W. Dunmore, W. S. Hunman, Jr., and E. G. Lapham, all of the Bureau of Standards.

The equipment comprises elements for the measurement of barometric pressure, temperature and humidity and radio means for remote indication and recording of the values of these factors, as the apparatus, weighing less than a kilogram, is carried aloft and well into the stratosphere by small rubber balloons.

Dr. Lee de Forest, inventor of the audion tube, who arrived in New York Tuesday to participate in the celebration of de Forest Day at the World's Fair, reviewed the many applications of short-wave therapy, with which he has been experimenting for five years, in the fields of medicine and surgery.

On Wednesday, after a greeting by R. A. Heising, President, the morning session was devoted to a discussion of transatlantic and marine radiotelephone communication. F. A. Polkinghorn of the Bell Telephone Laboratories outlined the commercial operation of overseas circuits and J. F. McDonald of the Radiomarine Corporation of America, Inc., read a paper dealing with two-way telephone equipment providing ship-to-shore and intership communication for yachts and pleasure craft.

Papers dealing with various technical topics were read at the afternoon session by J. D. Kraus of Ann Arbor, Mich.; H. A. Brown of the University of Illinois; H. A. Chinn of the Columbia Broadcasting System; D. K. Gannett of the Bell Telephone Laboratories; R. M. Morris of the National Broadcasting Company; G. H. Brown of the R.C.A. Manufacturing Company, and R. E. Shelby of the National Broadcasting Company.

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## U.S. STATION BROADCASTS MUSICAL PITCH

The continuous broadcasting of the standard for musical pitch - 440 cycles per second, for A above middle C - has been inaugurated by the National Bureau of Standards over its radio station WWV, Beltsville, Md., the Department of Commerce announced this week.

Far beyond the needs of even the most exacting of symphony conductors, variance in the pitch is less than 1 part in 10,000,000.

Broadcast over a frequency of 5 megacycles per second, the pitch may be heard 24 hours a day, except for short periods on certain days in which other Bureau programs are being broadcast on the same radio carrier frequency.

The station call letters (WWV) are announced every ten minutes both by voice and Morse code, so that persons using the service may be certain they are listening to the right station.

A description of the broadcasts of standard frequencies and other services made available by the Bureau, is contained in letter circular LC565, a copy of which may be obtained upon application to the Radio Section, National Bureau of Standards, Washington, D. C.

In addition to the standard musical pitch, these services include standard radio frequencies, standard time intervals in the form of pulses accurately spaced one second apart, standard audio frequency of 1,000 cycles per second, and bulletins of information on the ionosphere and radio transmission conditions.

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## DE FOREST SAYS RADIO IS POTENT WEAPON

Radio may prove a deciding factor in the war in Europe, Dr. Lee de Forest, inventor of the audion tube and often called the "father of radio", declared this week on his arrival in New York from Chicago to celebrate "de Forest Day" at the World's Fair, where a dinner in his honor was to be given tonight (Friday) by the Veteran Wireless Operators' Association.

"While radio was in use in communications in the World War, it was not as a weapon", he told the New York Times. "Now it is beginning to show itself as the most powerful weapon that could be devised. The length of the war depends upon how early radio will prove effective; that it will lengthen or shorten the war, in my opinion, can be counted upon. We have witnessed since the invasion of Poland every day how it has been used to disseminate not only upon native populations but neutrals, including America, just what the warring powers wish us to know or to believe.

"We learn that the British and French are bombarding German ears with the story of their arms in this war, and you can depend upon it that no threat of the death penalty can stop every German from listening to the radio. In my opinion the radio is going to decide in favor of the powers that are now fighting Germany."

During his visit in the East, Dr. de Forest, who for several years in California has been conducting experiments in the field of short-wave therapy for use in the medical profession, will visit the British and French Embassies in Washington in the interests of acquainting officials with its benefits as applicable to field hospitals, especially in the treatment of fractures and infected wounds.

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## "TAM" CRAVEN LIKES TURKEY, PIE; HATES PARSNIPS

Amid all the serious problems facing the Federal Communications Commission, Commissioner T.A.M. Craven found time last week to answer the inquiry of the Washington Post food editor as to what he likes to eat. The interview was one of a series on favorite foods of prominent Washington men.

"What do I like to eat? Well, I don't like parsnips", Commissioner Craven said.

"That is not news", commented the editor, "for parsnips are one of the least used of the root crops, although when properly prepared they get some people's vote.

"But he does like vegetables - potatoes, peas, and even the unpopular turnip. Turkey roast, beef, lamb and ham are his favorites among meats. And he has a sweet tooth, for he likes pies, cakes and puddings. Sherry chiffon pie is a dessert that he likes exceedingly well. This is excellent pie taste."

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9/22/39

ATLANTIC CITY PAPER PROTESTS "SMELLY BULOVA DEAL"

While the Federal Communications Commission last week heard oral arguments on the Arde Bulova request for permission to buy WPG, Atlantic City, and use its shared wavelength to give full time to WBIL, New York, the Atlantic City Daily World protested loudly in front-page editorials addressed to the FCC.

Under the heading "A Dirty Deal", the paper said:

"Frank J. Wideman, counsel for the City of Atlantic City, in the hearing before the Federal Communications Commission yesterday, in Washington, argued that radio station WPG should be allowed to be sold by Atlantic City to Arde Bulove, millionaire radio monopolist, because "The City could not afford the continued losses incurred by operating the station and needed available funds for repairing the board-walk."

"Mr. Wideman is uttering falsehoods.

"The City of Atlantic City is not losing any monies in the operation of WPG. It does not need the money to 'repair the Boardwalk.'

"The whole, smelly 'Bulova deal' is a matter of special interest and special privilege endeavoring to be served at the people's expense.

"The city is not losing any monies in its operation of WPG - as indicated by its true records. By its removal the city would lose a priceless publicity medium for the resort. In exchange it would receive a 'one-lung' radio station with one-twentieth its power and a coverage of 15 miles. In exchange it would receive a virtual monopoly of the various mediums of public information by one reactionary group owning morning, evening and Sunday newspapers, advertising agency and radio station."

The FCC previously had approved the sale in a preliminary decision, but withheld final judgment after listening to oral arguments.

The FCC gave protesting stations until September 21 to file final briefs. The Bulova firm was given until September 28 to file reply briefs.

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## REICH PLANS VISUAL SET; BBC QUITS TELEVISION

According to a Berlin correspondent, the German television industry has pooled patents and experience for the production of the first receiver to be placed on the market in Germany, the Commerce Department reported this week. It is not known, however, whether the war will cause a postponement of the plan.

The price is fixed at 650 marks. The five makers concerned are Frenseh, A.G. (now an entirely German firm belonging to Zeiss-Ikon and Bosch, Stuttgart), Telefunken, Radio-Loewe, Tekade and Lorenz. These will jointly manufacture the sets of which 5,000 will, it is claimed, be available by December and another 5,000 will be made the moment these "show signs of selling". Television is, at the moment, restricted to Berlin. The receiving set has a 10 in. by 8 in. screen on the cathode-ray rube and there have been various savings in valves and other apparatus to simplify construction. Thus only 11 valves are required to produce full effect, together with 3 separate rectifier valves. The time-base equipment is said to be novel, requiring only one valve and a transformer. The total consumption for television and sound is 150 watts, of which the sound side takes 45.

Variety reported meanwhile that British television is on a holiday for the duration of the war. One of the first acts of the Government was to close Alexandra Palace, the television headquarters of BBC, Many of the BBC television men, including Wolfe Murray, were called to the colors as early as September 1, the article stated.

Gerald Cock, the BBC television head man, has been seriously ill in London for weeks with streptococci infection of the jaw and reported near to a nervous breakdown. He visited New York during the Spring.

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## MEXICAN AUTHORITIES HUNT SUSPECTED RADIO SPY

Mexican authorities are trying to locate a mysterious, clandestine wireless sending station, reported to have been transmitting coded messages to Europe ever since the outbreak of the war, according to a Mexico City correspondent of the New York Times. The station is believed to be working for the German secret service.

It has been established that the station operates somewhere in Lomas de Chapultepec, smartest residential section of the Mexican capital, but attempts to locate it more exactly have

failed. It is thought it may be a mobile station, taken from one place to another after each transmission.

Officials are exercising increased vigilance over all wireless activity in the country. Licenses for amateur transmitting stations have been withdrawn and the rule that commercial broadcasters must submit all scripts for approval is more rigorously enforced.

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## TRADE NOTES

General Electric engineers have developed an oscilloscope for television work. The instrument is designed to meet the need in this field for an oscilloscope having means for both horizontal and vertical deflection capable of handling the wide range of frequencies encountered. It is suitable for the study of wave shapes and transients, the measurement of modulation, the adjustment of radio and television transmitters and receivers, the study of the phase shift in amplifiers and the measurement of voltage amplitudes. The oscilloscope operates from 110 volts, 60 cycles, and uses a nine-inch cathode ray tube.

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World radio reports issued by the Department of Commerce this week included the following: Nicaragua, Paraguay, Hong Kong, Tonga, Australia and Honduras.

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Coincident with start of the nation's Fall school term, more than 100,000 copies of the teacher's manual and classroom guide for the eleventh season of "Columbia's American School of the Air" have been mailed out to educators in every state in the union. The manuals are to be used in conjunction with "School of the Air" broadcasts over Columbia network which start Monday, October 9.

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J. Francis Harris of Mamaroneck, N. Y., has just arrived in Tokyo, Japan, to take up his new duties as a Vice President of R.C.A. Communications, Inc., in charge of Japan, Manchukuo, and China. Mr. Harris, who has been Manager of RCAC in Japan for several years, received his appointment as Vice President during a brief visit to the United States. He will continue to make his headquarters in Tokyo.

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# NEW RADIO BOOK COVERS FIELD THOROUGHLY

Unquestionably the new book, "Big Business and Radio" by Dean Gleason L. Archer, President of Suffolk University, and published by the American Historical Society of New York, will go down with Dean Archer's "History of Radio to 1926" as an outstanding library reference volume and as one of the most authoritative discussions of the subject. Copies of the book have been sent to the press with the compliments of Frank E. Mullen, Vice-President of the Radio Corporation of America.

"This explanation should properly be in the preface, but some people never read a preface - and this explanation is important!" Dean Archer writes in the opening chapter. "Disabuse your mind at once of any idea that the present volume is a mere continuation of the History of Radio to 1926. On the contrary, much of the struggle from which the volume takes its name was fought and won prior to July, 1926. The bulk of this volume consists of a story based upon records opened for the first time to any historian. That so great a conflict within the ranks of 'American Big Business' could have been fought without the knowledge of American journalists, or that the story could have slumbered for more than a decade without discovery, is little short of amazing, except for the fact that, generally speaking, great corporations are reticent and, moreover, do not make their records available to historians."

An idea of the wide field covered may be gained by the contents by chapter the headings of which are:

Behind the Scenes with RCA in 1922; A Prophecy Pigeon-Holed; A Vain Attempt at Mediation; Hostilities Begin; Compromise, Arbitrate, or Litigate; Attempts at Compromise; Arbitration Agreed Upon; The Arbitration of 1924; An Inconclusive Victory for RCA; Empire Swapping; Progress Toward a National Broadcasting Company; Radio Group and Telephone Company Make Peace; The National Broadcasting Company Arises; Travails of a Rival Radio Network; Radio and Talking Pictures; Radio Corporation Unified at Last; The Federal Anti-Trust Litigation; The Consent Decree; Radio and the Industrial Depression; Radio Broadcasting of Today; Historical Background of Television; Television and Facsimile; David Sarnoff Looks Ahead.

The volume is profusely illustrated and contains the following pictures:

David Sarnoff, General James G. Harbord; George F. McClelland, Herlin H. Aylesworth, Dr. Walter J. Damrosch, John F. Royal, Frank E. Mullen, W. A. Winterbottom, Charles J. Pannill, O. B. Hanson, Paul W. Kesten, Major J. Andrew White, Edward Klauber, William S. Paley, Alfred J. McCosker, Major Lenox R. Lohr, Vladimir K. Zworykin, Philo T. Farnsworth, Franklin Dunham, Dr. James Rowland Angell, and many others.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

INDEX TO ISSUE OF SEPTEMBER 26, 1939



No. 1160

September 26, 1939

CHAIN-MONOPOLY REPORT NEARLY READY FOR FCC

Closely guarded from public examination, the Chain-Monopoly Report of the Federal Communications Commission is being put into shape for submission to the Special Commission Committee. FCC officials said that a corps of experts are now nearing completion of the first draft of the report and will be ready to submit it to the Committee within a month.

Final decision on all policy matters, however, will rest with the full Commission, which has changed somewhat in calibre and in its attitude toward the broadcasting industry since the chain-monopoly inquiry was held just a year ago.

The new Chairman, James L. Fly, doubtless will have much to say about the general policies to be adopted although he had no part in the investigation which his predecessor, Frank R. McNinch, launched.

The Commission probably will be divided when the time comes for adopting regulations governing network broadcasting, but broadcasters believe that the chains are apt to fare better now than they would had Mr. McNinch remained as Chairman.

The networks lost a friend on the Special Chain-Monopoly Committee, however, when Judge Eugene O. Sykes resigned last Spring to practice law. His place has been filled by Commissioner Frederick H. Thompson, a newspaper publisher, who has not shown as much sympathy toward the broadcasters' point-of-view as did his predecessor.

Other members of the Committee are Commissioners Thad Brown and Paul Walker.

Some members of the Commission favor rather rigid restrictions on the networks in their relations with independent affiliated stations. They also hold that the networks are earning too large a share of the profits from chain broadcasting.

The Commission also is divided on the question of whether or not chain programs should be limited on affiliated stations. Some hold that local programs should be emphasized more and complain that network broadcasting has resulted in too much sameness and standardization in radio entertainment.

Other Commissioners believe that the networks are furnishing a much higher type of radio program than most independent stations could afford and that consequently the listeners are benefitting.

The presence of Congress in Washington, if the extra session continues into the regular session, as many observers believe it will, doubtless will have an influence in the shaping of the FCC policies regarding network operations. Whatever the FCC does, however, is likely to arouse some protests from Capitol Hill.

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WARSAW STATION'S OPERATION UPSETS THEORIES

The continued operation of the Warsaw broadcasting station under heavy bombardment and shell-fire has upset many preconceived theories on the vulnerability of radio in time of war.

For several weeks the Warsaw station has been the only source of news from the besieged Polish capital. Occasionally, it has gone off the air temporarily, and German stations have tried to blanket its wavelength.

Prior to the war, military experts predicted that radio transmitters would be the easiest targets of an invader and thus might be of little value under heavy fire.

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PAYNE WORKING ON REPORT IN KVOS CASE

Several weeks may elapse before Commissioner George Henry Payne submits his report and recommendation to the Federal Communications Commission on the controversy which may cost Station KVOS, Bellingham, Wash., its broadcasting license.

Commissioner Payne conducted hearings at Bellingham last month to gather supplemental evidence to be considered in connection with an Examiner's report recommending that KVOS be taken off the air. At issue is whether the station is operating "in the public interest."

KVOS is the station which had been involved in litigation arising over the complaint of Associated Press that news was being "pirated" from Washington member newspapers and put on the air in news programs.

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# NAB POLICY COMMITTEE NAMED BY MILLER

E. M. Kirby, Public Relations Director of the National Association of Broadcasters, has been named Secretary of that organization's Policy Committee, it was announced this week by Neville Miller, President. Edgar Bill of WMBD, Peoria, Ill., was named Chairman earlier. The code becomes operative October 1st.

Other Committee members are: Martin Campbell, WFAA, Dallas; Edward Cargill, WMAZ, Macon, Ga.; E. B. Craney, KGIR, Butte, Mont.; Walter J. Damm, WTMJ, Milwaukee, Wis; Earl J. Glade, KSL, Salt Lake City; Edward Klauber, Columbia Broadcasting System; Don Searle, KOIL, Omaha; Calvin J. Smith, KFAC, Los Angeles, and Theodore Streibert, Mutual Broadcasting System.

"Underlying every plank of theCode is a principle of public policy", Mr. Miller declared. "Radio reaches people of different creeds, races, educational and age levels simultaneously. Even though it sweeps to every nook and corner of the nation in a split second, its facilities are limited as to the number of channels available for use in this country, and as to the number of hours available per day for broadcasting. These are the factors we bore constantly in mind in framing our new Code", he said.

The Code requires that radio stations shall provide free time for the discussion of controversial public issues in such a way that conflicting viewpoints in public matters have a fair and equal opportunity to be heard. In no event will time be sold for such purpose, except for political broadcasts.

"The political broadcasts excepted are any broadcasts in connection with a political campaign in behalf of or against the candidacy of a legally qualified candidate for nomination or election to public office, or in behalf of or against a public proposal which is subject to ballot. This exception is made because at certain times the contending parties want to use and are entitled to use more time than broadcasters could possibly afford to give away."

This policy governing the discussion of controversial public issues through radio was adopted, Mr. Miller said, "because should time be sold for the discussion of controversial public issues and for the propagation of the views of individuals or groups, a powerful public forum would inevitably gravitate almost wholly into the hands of those with the greater means to buy it. The NAB policy insures that radio will remain a free and democratic forum for the fair and many-sided discussions of all public matters.

The Code further requires that news broadcasts be factual and presented with bias or editorial opinion. It also provides that children's programs be based upon "sound social concepts" and that radio stations continue to cooperate with educators in the further development of radio as an educational adjunct. The

While the full Code becomes effective October 1, the Board ruled that existing commercial contracts shall be respected for their duration, provided they do not run for more than one year after October 1, 1939. "New business, competitive with existing accounts, may be accepted with the same length of commercial copy as is permitted existing accounts."

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CENTRAL AMERICAN RADIO GAINS FROM PACT

President Roosevelt last week issued his proclamation of the Regional Radio Convention for Central America, Panama and the Canal Zone which was signed at the City of Guatemala on December 8, 1938, by plenipotentiaries of the United States of America in behalf of the Canal Zone, and by plenipoteniaries of Costa Rica, El Salvador, Guatemala, Honduras, with a reservation, Nicaragua and Panama. The Senate gave its consent to the ratification of the Regional Radio Convention on July 21, 1939, and the President ratified it on August 11, 1939.

The ratification of Guatemala was deposited with the Ministry of Foreign Relations of the Government of Guatemala, which is the depositary of the Convention and the ratifications, on May 10, 1939, and the ratification of the United States in behalf of the Canal Zone was deposited on September 8, 1939. Pursuant to a provision in the Convention, it will become effective, as between the ratifying Governments, thirty days after the deposit of ratifications by two Governments, that is on October 8, 1939.

The regional radio conference held at Guatemala City November 24-December 8, 1938, resulted from recommendations made at the International Radio Conference, Cairo, 1938, and the regional convention is designed to afford more effective broadcasting facilities for the countries of Central America, Panama and the Canal Zone.

The President also issued his proclamation of the Revision of the General Radio Regulations annexed to the International Telecommunications Convention signed at Madrid on December 9, 1932. and the Final Protocol to the Revision of the General Radio Regulations, embracing reservations made by several Governments, which were signed at the International Radio Conference held at Cairo, Egypt, February 1-April 9, 1938.

The Senate gave its consent to the ratification of the Revision of theGeneral Radio Regulations and the Protocol on July 21, 1939, and the President ratified the instruments on August 11, 1939. In accordance with Article 7 of the Madrid International Telecommunications Convention of December 9, 1932, the Secretary of State notified the Bureau of the International

Telecommunication Union at Bern, Switzerland, of the ratification of the United States on August 24, 1939, which notice had the effect of bringing the revised regulations and the protocol into force with respect to the United States.

Prior to being brought into force with respect to the United States, the revised regulations, and, with certain exceptions as indicated below, the final protocol, were put into force with respect to the following countries by notices given by the Governments of those countries to the Bureau of the International Telecommunication Union at Bern: Argentina; Australia, Belgium, including Belgian Congo and Ruanda-Urundi (not including protocol); Bulgaria (not including protocol); Czecho-Slovakia (not including protocol); Danzig; Denmark (not including protocol); Estonia; Germany; Great Britain; Hungary, Italy, including Italian East Africa and Italian Islands in the Aegean; Japan, including Chosen, Taiwan, Karafuto, Kwantung, and South Sea Islands under mandate; Leganon; Libya; Morocco; Netherlands, including Netherlands Indies, Surinam and Curacao; Newfoundland; New Zealand (not including protocol); Poland; Portugal; Rumania; Spain, including Spanish colonies and possessions and Spanish Zone of Morocco; Switzerland (not including protocol); Syria; and Yugoslavia.

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RADIO SALES INCREASING; PRICE RISE STARTS

Radio dealers report a sudden upturn in radio sales, already high, because of the widespread interest in radio war news, according to Radio Today.

"Service men, too, were suddenly besieged by those who wanted repairs made in a hurry", the trade organ states. "Owners of all-wave sets demanded that these be tuned up to the peak of performance to get their news direct. Broadcast listeners needed new tubes and parts to restore disabled sets to operation.

"One manufacturer reports that orders on hand now, will keep his plant going full blast for the next 30 days, and the back orders continue to increase.

"Another prominent set manufacturer states that at the present rate of orders coming in, production won't catch up for several months.

"A leading parts manufacturer has been swamped with orders for replacement parts, and his normal production facilities cannot keep pace with the rising tide of demand.

"Such has been the immediate effect of the war on the radio business.

"But there are other important echoes of the booming guns, too.

"Prices have begun to rise on raw materials, particularly non-ferrous metals, cotton, etc. Suppliers in many cases have withdrawn quotations on coils, wire, transformers, etc., working now on a day-to-day basis. Whether such price increases are speculative, and reflect the anticipation of future demand, or rise, it is probable that radio manufacturers' costs will go up, and may soon have to be reflected in higher retail prices for radio sets.

"Some leading radio manufacturers have already announced price increases on certain models, though most express the intention of absorbing present increased costs as far as they can, in the expectation that added volume will reduce other costs and so pick up some of the advances in raw materials.

"Increases in employment have taken place in radio and in other industries, beyond the normal seasonal increase, which in large part reflects the anticipation of broader demands resulting from the war."

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## ARGENTINE MART FOR AERONAUTICAL RADIO EQUIPMENT

The Argentine air transport lines and the Army and Navy Air Corps offer a fairly good outlet for airways radio equipment, according to the Department of Commerce. There are in operation five foreign and one domestic airlines, with all but one employing direction finders on both aircraft and ground. A large number of American planes recently acquired by the Army and Navy are also equipped with direction finders, as well as radio compasses. Only the compasses were purchased from the United States, the remainder of the equipment being of German origin. All air transport planes and most of the recently acquired Army and Navy planes have fixed, training, or loop antennas, frequently a combination of all three types.

No radio range beacons have as yet been installed. It is generally recognized, however, that there is an urgent need for them, and the hope is held that the Army may definitely decide shortly to install a range beacon at Palomar Field, Buenos Aires.

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## RADIO LEGISLATION DEFINITELY TABOO THIS SESSION

Under the present procedure of the extra session of Congress, radio legislation will not be considered before January 1st. The Senate this week adopted a resolution to limit its legislative activity to neutrality, and House leaders are attempting to do likewise while taking three-day recesses.

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## GERMAN ELECTRICAL EQUIPMENT EXPORTS TABULATED BY U. S.

A detailed tabulation of exports of electrical equipment from Germany for the year 1938 which were valued at about $134,395,000 has just been prepared and made available by John H. Payne, Chief, Electrical Equipment Division, Department of Commerce.

The information is designed to inform American manufacturers and exporters of electrical equipment of those countries which may seek new sources of supply should the present European conflict continue to restrict exports from Germany.

Two tables are included, one showing total German electrical equipment exports to all countries of the world and the second showing a detailed breakdown by commodities and countries. The latter tabulations is particularly valuable, according to Mr. Payne, in that it separates German electrical exports under specific items and shows the value of each such item sold to specific countries.

Commodities separately listed in the tabulation includes dynamos, electric motors, converters, transformers and choke coils classified by weight; storage batteries; electrical cable; various types of lamps; radio, telephone and telegraph apparatus; measuring, counting and recording instruments, and carbon products.

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Madame Galli-Curci thinks television will be a boon to the opera enthusiast. Televised for the first time at the General Electric exhibit at the New York World's Fair last week, Madame Galli-Curci said:

"It will be wonderful to be able to see and hear opera while sitting at home in an easy chair and not have to find a place to park your car -- or to get up and leave before the end of the last act!"

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## TRADE NOTES

World Radio Market reports on Australia and Syria were released this week by the U. S. Bureau of Foreign and Domestic Commerce.

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The Canadian Press, cooperative News Association of Canada's daily newspapers, this week began providing the Canadian Broadcasting Corporation four 15-minute news bulletins daily for each of five regions across the Dominions. The bulletins are put on the air morning, noon, mid-evening and at night.

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Vol. 1, No. 1 of "Results from Radio", first of a series of industry trade studies planned by the NAB Bureau of Radio Advertising has been sent to all member stations, according to an announcement by Samuel J. Henry, Jr., of the Bureau. The initial trade study, designed as a local sales and promotion aid, is on the subject of department stores and deals specifically with the success of the Rike-Kumler Company, Dayton, Ohio, in sponsoring a daily 15-minute shopping program over WHIO.

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The Federal Trade Commission closed its case against Try-Mo Radio Company, Inc., 85 Cortlandt St., New York, in which the respondent was charged with misleading advertising of radio receiving sets and radio equipment. The respondent on July 24, 1939, agreed to discontinue the unfair practices charged in the Commission's complaint and agreed to accept and abide by the rules of fair trade practice for the radio receiving set industry promulgated by the Commission July 22, 1939. The case was ordered closed without prejudice to the right of the Commission to reopen it and resume prosecution, should future facts so warrant.

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NAB has announced the appointment of William R. Cline, Commercial Manager of WLS Chicago, as Chairman of the Sales Managers' Committee, succeeding Craig Lawrence, KSO, Des Moines. An Executive Committee will be appointed from the Sales Managers' Division to meet regularly and work in cooperation with the Bureau of Radio Advertising and Headquarters' staff in developing a sales and promotion program on behalf of all member stations.

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Radio Guide, Inc., Chicago company dissolved in 1935, has appealed to the U. S. Board of Tax Appeals from income and excess profits tax deficiency assessments totaling $213,950.29. M. L. Annenberg, publisher of the Philadelphia Inquirer, who was indicted in Chicago last month on charges of income tax evasion, was named as President of Radio Guide. Other officers listed were A. W. Kruse, indicted with Annenberg in August, Secretary-Treasurer, and Joseph E. Hafner, Assistant Secretary.

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# PRESS NOTES

## SEEBACH NAMED WOR VICE-PRESIDENT

Julius F. Seebach, Jr., Director of Program Operations for Station WOR since 1935, was appointed Vice-President in Charge of Programs last week, Alfred J. McCosker, President of WOR, has announced. Mr. Seebach's new appointment was voted at a regular meeting of the Board of Directors of WOR.

His career in the broadcasting world embraced a period of 14 years, beginning in 1925 when he assumed a post as announcer with WOR, rapidly advancing to manager of evening programs. In January, 1928, he joined the Columbia Broadcasting System as Program Production Manager, remaining with that network until 1935 when he resigned his position as director of all program operations to return to WOR in a similar capacity.

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## CHRYSLER ADVANCES $100,000 FOR MAJESTIC LOAN

Walter P. Chrysler, Jr. has made $100,000 available to the Allied International Investing Corporation for simultaneous loan to the Majestic Radio and Televison Corporation, for the purpose of increasing its working capital, according to an announcement at Mr. Chrysler's New York office this week.

Mr. Chrysler has received an option to notify the Majestic Company on or before Oct. 23, 1939, that he wishes to purchase 225,000 shares of its stock, in part payment for which the company will accept the note evidencing the $100,000 loan to the Allied company, according to the New York Times. Contingent on the exercise of this option, Mr. Chrysler has a further option to purchase, on or before March 31, 1941, a total of 75,000 of Majestic's shares, in installments of 15,000 each.

Allied International has an option to purchase 75,000 shares of Majestic, and additional installments of 5,000 for a total of 30,000 shares, at the same price at which Mr. Chrysler may acquire the stock. Allied has conditionally agreed to have Mr. Chrysler substituted as one of the three proxies which presently control voting rights of 175,000 shares of capital stock of Majestic.

If Mr. Chrysler exercises his option to purchase the 225,000 shares, Majestic's Board of Directors will be increased from six to nine members to permit Mr. Chrysler's representation on the Board.

At present the company has 550,000 shares outstanding of an authorized issue of 1,000,000 shares of $1-par common stock.

On May 19, 1939, Allied International and Singer & Freidlander, Ltd., of London (England), offered 375,000 shares of Majestic stock at the market, of which 175,000 shares were already outstanding and owned by the Davega Stores Corporation, which had optioned them to the underwriters.

Proceeds of the remaining 200,000 shares were used for payment of notes due the underwriters, reduction of bank loans, expenses of registration with the SEC, and for additional working capital, it was announced at the time.

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ZENITH QUARTERLY PROFIT, 1940 LINE ANNOUNCED

Zenith Radio Corporation reports a consolidated operating profit for the first quarter ended July 31, 1939, of its current fiscal year, amounting to $29,321.27 after depreciation, excise taxes and liberal reserves, but before provision for Federal income taxes, as per the company's books, according to Commander E. F. McDonald, Jr., President.

The company announced its new 1940 advance line of receivers in June, for which it received large quantities of orders, some of which are still unfilled. In the past week the 1940 line of Zenith receivers was shown to distributors at meetings in Chicago and New York. The completed 1940 line now consists of regular radio and radio-phonograph combination models ranging in price from $12.95 to $750.00.

"The preponderance of our orders received at the convention last week for higher priced short wave receivers indicate that the advent of war has brought about a new realization of the importance of short-wave European reception", Commander McDonald said. "Through this medium it is possible for the listener to tune in London, Paris, Moscow, Berlin and Rome and obtain first hand information on developments. News and propaganda in English is being put out daily from 4:30 P.M. until 11:00 P.M. by these stations and even the actors themselves in the great war drama that is now being enacted are appearing before the microphones.

Zenith announced at its Chicago convention its intention to continue its policy, first announced last October, not to offer television sets to the public for sale until it is believed that television was ready for the public. As confirmation of the company's policy and predictions, it was announced at this convention that the sales of television sets of the industry, from distributors to dealers, as reported by the Radio Manufacturers' Association, for the eight weeks ended September 8th totaled only 22 television receivers.

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# PATENTS SUGGEST WAR-TIME TELEVISION USES

What the role of television may be in the present war has already been indicated in Washington in a number of patents granted recently to various inventors. Devices based on television principles to detect enemy planes, dirigibles and submarines, which would permit airplane pilots to pick up images of the terrain while lurking behind clouds and which would even detect mines have been patented. Enemy guns hidden behind masonry and embankments would become visible on television receiving cameras, according to the patents. Television would pierce darkness, smoke screens and fog to reveal the lurking enemy.

As one example, John Hays Hammond, Jr., noted for his invention of radio-controlled torpedoes which turn around in case they miss the ship the first time to strike it from the opposite side, has patented a secret television system (No. 1,910,540). It telecasts distorted, or "scrambled", images, so that, should the enemy pick up the tele-signals, all it would see on the tele-receiver would be a distorted blur. With such a system, maps, photographs and other pictorial intelligence could be telecast without danger of informing the enemy.

The distortion is accomplished according to a certain law or code and any one not knowing the law would not receive a true tele-image, it is explained. Such a system might, for example, be used with the television navigation system for landing in fog, also patented (No. 2,062,003) by Mr. Hammond. In this system, to the pilot of a bomber, for instance, lost in the fog is telecast an image in relief of his home landing field. Picked up by the tele-receiver on the plane, the pilot has a clear picture of the landing field.

A dot of light which follows the course of the plane moves over the image and gives the pilot his exact position over the field until he lands. With secret television, the enemy television receivers, assuming they did not know the scrambling law, could not receive a true picture of the landing field.

Mr. Hammond states that this television navigation system could also be used in guiding submarines and boats by presenting on their television receivers a picture of the harbor.

Hans Hartman of Manaco, Manaco received a patent (No. 2,060,-760) in 1936 for "submarine television". By lowering a television camera in a bathysphere down in the sea the crew on deck would see on a television receiver screen moving objects and sunken boats beneath the surface. With such an underwater television transmitter, it is conceivable that submarines and mines would also be made visible.

Spotting dirigibles and enemy airplanes hidden behind smoke screens and clouds or in fog is proposed in a patent (No. 2,075,808) issued to R. A. Fliess of New York City. His tele-detector involves shooting a piercing beam of extremely short radio waves into the sky. Planes and dirigibles reflect these rays back to earth, he asserts. Picked up by a television receiver they give a visible outline or image of the craft on the viewing screen. Similarly, metal objects, such as guns and tanks hidden behind embankments and masonry, which the rays penetrate, would also become visible by reflection of the waves.

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## PATENTS SUGGEST FAR-FLUNG TELEVISION USES

What the role of television may be in the present war, [illegible] been indicated in Washington in a number of patents granted [illegible] to various inventors. Devices based on television prin- [illegible] to detect enemy planes, dirigibles and submarines, which would [illegible] airplane pilots to pick up images of the terrain while landing [illegible] clouds and which would even detect mines have been patented. [illegible] ground airborne radar, radio and subsurface and submarine would become visible [illegible] television receiving equipment, according to the patents. Television [illegible] pierce darkness, make airscrews and fog no reason for the landing.

As an example, Jan. 29, 1935 patent, No. 1, patent for use in [illegible] of radio-controlled dirigibles which turn around in one step [illegible] only the first step is to strike it from the opposite side, [illegible] a secret relay-type system (No. 1,910,540). It telegraphs [illegible] so that, should the enemy plane [illegible] the land-plane, it would see on the tele-receiver would be [illegible] Patent also covers a system, map, photographs and [illegible] television receiver telescopic sighting device of [illegible]

The invention is a complicated system for a certain [illegible] the line would receive [illegible] It is designed. Such a system might, for example, be [illegible] television navigation system for landing in fog, also [illegible] (No. 2,034,007) by Mr. Hammond. In this system, to the [illegible] for instance, just in the [illegible] telescope [illegible] of the home landing field. Picked up by the tele- [illegible] the plane, the pilot has a clear picture of the landing.

A set of lines [illegible] the course of the plane [illegible] lines and gives the pilot his exact position over the field [illegible] This means television, the [illegible] television receiv- [illegible] the corresponding lens, could not receive [illegible] of the landing field.

Mr. Hammond states that this television navigation system [illegible] be used in guiding submarines and boats by presenting on [illegible] a picture of the harbor.

[illegible] patent (No. 2,000,- [illegible] Jan. 29, 1935 for "Submarine Signaling". By locating a television [illegible] in a bathysphere [illegible] and the lower end would be [illegible] receiver would be carrying objects and sunken boats beneath [illegible] Mr. [illegible] underwater television transmitter, it is [illegible] that submarine and other craft or mud, visible.

Position indicators and enemy airplanes [illegible] and [illegible] or the [illegible] in a patent (No. 2,075,603) [illegible] Jan. 5, 1937 for "Air Fleet Defense". The television receiver [illegible] a plane [illegible] to get [illegible] the sky [illegible] without [illegible] to search. [illegible] by a television receiver [illegible] a visible [illegible] or [illegible] the [illegible] Similarly, metal objects, [illegible] and other hidden [illegible] and machinery, which [illegible] machinery, could also become visible by projection of the

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF SEPTEMBER 29, 1939



No. 1161

BROADCASTERS UNEASY AFTER FCC "TRIAL" OF WMCA

The manner in which Station WMCA, New York, was placed on "trial" by the Federal Communications Commission this week for broadcasting as news what was purported to be secret military information of Great Britain and Germany has disturbed other broadcasters who see in the hearing an ominous portent of what may happen to other stations should the United States go to war.

Observers also were disappointed in Chairman James L. Fly, who up to this time appeared to have a sympathetic understanding of the industry's problems. His police court manner of lecturing witnesses and summarily dismissing them aroused a great deal of off-stage criticism even from otherwise neutral spectators.

That the FCC had failed to prove its case, so far as illegal broadcasting of "secret" international radio communications was concerned, was apparent after a hearing that dragged through the morning and into the middle of the afternoon on Wednesday.

Realizing the weakness of that angle of the case, Chairman Fly, aided by Commissioners Thompson and Payne, harped at length on the false statements contained in the WMCA advertisement of its "scoop" although FCC officials admitted that this was a matter for the Federal Trade Commission rather than the FCC to be concerned with.

Before the hearing, it was understood, the majority of the Commission was determined to make an example of WMCA by revoking its license, but afterwards the Chairman and other members were obviously angry but appeared less sure of themselves. There were indications that one or more members of the Commission will oppose any drastic punishment of WMCA when the matter is considered in executive session, probably next week.

The inquiry also aroused comment as to why the FCC artfully evaded bringing the New York Herald Tribune into the case any more than was necessary to establish the fact that a Herald-Tribune radio operator picked up the messages broadcast by a German and an English station.

There was no doubt that the newspaper not only furnished the information to WMCA for the broadcast but subsequently published it in its own columns.

## BROADCASTERS VICTORY APPEAL ISN'T "FAIR" - WADA

The manner in which Station WCBA, New York, was closed "trial" by the Federal Communications Commission this week broadcasting as news what was considered to be secret military information of direct British and German War distributed other broadcasters who are in the business on behalf of what happen to other stations should the United States go to war.

Observers also were disappointed in Chairman James L. who up in this case appeared to have a sympathetic understanding of the industry's operation and policy under means of impartial witnesses and summarily dismissing them produced a great deal of ill-etate criticism from those directly spectators.

That the FCC had failed to prove its case, so far as illegal broadcasting of "secret" information with communication was concerned, was apparent after a hearing that dragged through the morning and into the afternoon on Monday.

Realizing the weakness of their cases, the Federal Trade Commission Chairman and Major, Lyndon Bolton on the Trade Commission counsel in the WCBA controversy of the "secret" allegedly for criminal charges that this was secret for the Federal Trade Commission rather than the FCC to concerned with.

Before the hearing it was announced, the majority of the Commission was considering no part of charges by holding its license. But afterwards the Chairman and counsel were obviously angry, but regretted less such of time spent. There were indications that some of some members of the Commission propose any drastic punishment of WCBA when the matter is decided in exactly the same manner as the matter is decided in exactly the same manner.

The inquiry also disclosed, it was said, by the FCC usually refused refusing the New York Herald Tribune that the station was not authorized to broadcast the last that a Tribune report in the station relayed to the newspaper broadcast by station and so United stated.

There was no question that the prosecution not only failed to prove information WCBA was the transmitted but subsequently published it in the newspapers.

While FCC officials insisted that the Commission has no jurisdiction over newspapers or the interception of secret international communications by receivers, the order to WMCA to show cause as to why its license should not be revoked stated that both the international radio treaty and the Communications Act prohibit the publication of such messages.

The order read in part as follows:

"Whereas, in order to insure the secrecy of international radio communications, the United States Government has agreed with other governments, including Germany and Great Britain, to take the necessary measures to prohibit and prevent (a) the unauthorized interception of radio communications not intended for the general use of the public; and (b) the divulging of the contents or of the mere existence, the publication or any use whatever, without authorization, of such radio communications; and

"Whereas, Section 605 of the Communications Act of 1934 provides that no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person, and further provides that no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect, or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto."

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WMCA OFFICIALS ADMIT NEWS BROADCAST, DENY ILLEGALITY

Donald Flamm, President of the Knickerbocker Broadcasting Company, licensee of WMCA, New York, and other officials of the station stoutly denied an unlawful activity in broadcasting German and British naval orders on the eve of the European war during a four-hour hearing before the Federal Communications Commission this week.

The information was furnished WMCA, it was testified, in the regular news bulletins provided by the New York Herald Tribune under a special "emergency" arrangement from August 25 to September 5.

At the same time William Wiseman, Vice-President, insisted that he had complied with the order to show cause in his answer, which the FCC declared was inadequate.

While FCC officials insisted that the Commission had jurisdiction over newspapers or the interception of foreign international communications by receivers, the order to WMCA to show cause as to why its license should not be revoked raised both the international radio treaty and the Communications Act prohibit the publication of such messages.

The order read in part as follows:

"Whereas, in order to insure the secrecy of international radio communications, the United States Government has agreed with other governments, including Germany and Great Britain, to take the necessary measures to prohibit and prevent (a) the unauthorized interception of radio communications not intended for the general use of the public; and (b) the divulging of the contents or of the mere existence, the publication or any use whatsoever, without authorization, of such radio communications;

"Therefore, section 605 of the Communications Act of 1934 provides that no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person; and further provides that no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect, or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto."

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## WMCA OPERATORS DOUBT HOTS BROADCAST, BUT ILLEGALITY

Donald Flamm, President of the Metropolitan Broadcasting Company, attorneys of WMCA, New York, and other officials of station stoutly denied an official equivalent to broadcasting from the British Royal Opera on the eve of the Coronation was during a four-hour hearing before the Federal Communications Commission this week.

The information was obtained WMCA, it was testified, by regular news gathering methods by the [illegible] Publishing Company under a special "emergency" arrangement from August 25 to September 6.

At the good time Philip Merryman, Vice-President, insisted that he had consulted with the order to show cause in the news, which the FCC decision was thought to.

Chairman James L. Fly, who assumed the role of prosecutor at times, flatly stated that the Commission "feels the document is incomplete".

Stanley Wolff, chief radio operator of the Herald Tribune, admitted picking up the naval messages which were broadcast as interruptions to regular press transmission in English. The German communication, addressed to certain German ships, was in the German language.

When translated at the newspaper office, it read: "Upon receipt of this transmission, act upon your special secret instructions." It was accompanied by a code message in figures.

The British radio message ordered British merchant ships in certain European and Asiatic waters to proceed to British ports. They were forbidden to visit Italian ports and those already in Italian harbors were ordered to leave.

Mr. Wolff testified that he "picked up" the messages in the course of regular news broadcasts which were interrupted for the transmission of the orders, that he understood them to be "original orders" and not a part of the news program, and that he so transmitted them to WMCA.

Leon Goldstein, WMCA's special events and news editor, who received them from Mr. Wolff, said that he understood them to be "bulletins" for which the regular broadcasts were interrupted, but which were equally "news" for legitimate broadcasting.

He said that, in that belief, he had "checked" on them with the International News Service, which together with The Daily Mirror, constituted the company's regular news sources, augmented temporarily by The Herald Tribune service.

In reply to a question by Commissioner Craven, Mr. Wolff said that both messages, were transmitted in telegraphic, but not secret, code by official German and British broadcasting stations used commonly, but not exclusively, for news broadcasts.

Considerable time in the hearing was taken up with the WMCA promotional advertisement headed "Scoop", which reproduced clippings from the New York Daily News and the New York World-Telegram, crediting the station with "scoops" on the pre-war British and German naval orders.

Mr. Flamm assumed "full responsibility" for the advertisement, which appeared in Variety and Radio Daily, but explained that he had perused it rather hastily. He and Mr. Goldstein insisted that they did not know how George Ross, World-Telegram columnist, who stated that WMCA had a naval officer decode the messages, obtained his incorrect information. Mr. Goldstein said he did not talk with Ben Gross, of the Daily News.

Chairman James L. Fly, who assumed the role of prosecutor at times, flatly stated that the Communists "feels the government is incompetent".

Stanley Holt, chief radio operator on the Panaja Maru, admitted picking up the naval messages which were broadcast as intermittent to regular press transmission in English. The German communiqué, addressed to certain German ships, was in the German language.

When translated at the messenger office, it read: "Upon receipt of this translation, act upon your secret instructions." It was accompanied by a code message in figures.

The Spanish radio message intercept fixing movement ships off certain European and Atlantic waters to assemble in Spanish ports. They were forbidden to visit Italian ports and those already in Italian harbors were ordered to leave.

Mr. Holt testified that he "tuned up" the messages in the course of regular work. Broadcasts which were intercepted were the transmission of the orders, then in mimeographed form in "original" origin, and not a part of the news program, and that he transmitted them to Berlin.

Leon Colbert, Mr. Holt's special agent and news editor, received them from Mr. Holt, and said that he understood them to be "bulletins" for use in the regular broadcasts with the information were usually "news" for legitimate broadcasting.

He said that to the best of his belief, he had "checked" on them with the International News Service, which transmitted with the Associated Press, constituted the company's regular news sources, supplemented partly by the Hearst Tribune service.

In reply to a question by Commissioner Carson, Mr. Holt said that both messages were transmitted in language, but not code, code by official words and the title "communiqué" was used commonly, but not invariably, in news broadcasts.

Considerable time in the hearing was taken up with the prosecution's "Berlin-Rome Report Report", which purported to be a compilation from the New York Times and the New York Herald Tribune, crediting the Nazis with "support" of Italian and German news.

Mr. Fly [illegible] "Hitler's propaganda" [illegible] which appeared in the Nazi Berlin [illegible] Mussolini [illegible] be non-partisan [illegible] Mussolini [illegible] said that the [illegible] Hitler [illegible] Mussolini, who stated [illegible] Hitler's [illegible] obtained his information [illegible] the [illegible] did not deal with [illegible] Mussolini [illegible] Hitler.

Mr. Wiseman, when grilled by Chairman Fly and William J. Dempsey, FCC counsel, as to why his reply to the Commission's order was not more detailed, insisted that he replied as directed and did not believe the FCC was interested in "irrelevant matters" such as the advertisement.

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INTERNATIONAL RULE SUSPENSION EXTENDED

Still deliberating the varied communications problems related to the European war, the Federal Communications Commission this week stated that its rule governing the programs of U. S. international stations had been extended further pending a completion of the broader study.

The rule, which specified that international broadcasts should promote American culture and good-will toward the United States, was suspended in the late Summer following a hearing at which broadcasters attacked it as a form of censorship.

The following resolution was adopted by the FCC with regard to the rule:

"Whereas, on May 23, 1939, the Commission adopted Rule No. 42.03(a) having to do with the conduct of international broadcast stations, which rule was thereafter suspended pending further investigation, and

"Whereas, the outbreak of the European war has injected into the problem of international broadcast regulations various additional significant factors, and

"Whereas, on September 6, 1939, this Commission appointed a committee composed of Chairman Fly, Commissioner Brown and Commissioner Craven to study the various phases of the communications problem in relation to current war conditions, to maintain contact with the various Government agencies and the industry and to report to the Commission its recommendations, which committee has made studies and held various conferences on the problems in relation to international broadcasting,

"Therefore, be it resolved, that said rule is hereby further suspended pending the conclusion of said studies and conferences and subject to the report of said committee recommending to the Commission such further action as it may deem appropriate."

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Mr. Hinman, then quizzed by Chairman Fly and William A. Ingraham, FCC counsel, as to why his reply to the Commission's order was not more detailed, insisted that he realized Friedman did not believe the FCC was interested in "irrelevant matters" such as the advertisement.

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INTERNATIONAL MEDIA SUPPRESSION CONTROVERSY

Still deliberating the vexed communications problems related to the Bermuda war, the Federal Communications Commission this week stated that it was studying the progress of the international conditions has been revealed further pending consideration of the broader issue.

The rule, which specifies that international broadcasts should promote American culture and good-will toward the United States, was announced to the land mobile field following a ruling of which broadcasting adopted it as a form of measure.

The following resolution was adopted by the FCC with regard to the rules:

"Whereas, on May 24, 1939, the Commission adopted its Rule No. 30.024(a) having to do with the problem of international broadcast stations, which rule was tentatively adopted pending further investigation, and

"Whereas, the problem of the European war has injected into the problem of international broadcast regulations various additional elements, and

"Therefore, on September 6, 1939, the Commission appointed a committee composed of Commissioners Fly, Craven and Stanley to study the various phases of the communications problem in relation to current war conditions, to estimate the effect of the foreign broadcast operations and the industry and report to the Commission its recommendations, which committee has studied and held various conferences on the problem in relation to international broadcasts.

"Therefore, be it resolved, that rule 30.024 be hereby suspended pending the conclusion of said studies and recommendations to the Commission of said committee and recommendations of the Commission concerning the Commission's rule, to be in effect upon promulgation."

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RMA TO DISCUSS WAR'S EFFECTS ON INDUSTRY

Fall meetings of the Radio Manufacturers' Association October 10 and 11 in New York City at the Hotel Roosevelt, will largely be devoted to problems and opportunities resulting from the European war and also national promotion projects, according to Bond Geddes, Executive Vice-President. Plans to promote sales of short wave radio, due to the special interest in European broadcasts, together with the joint industry promotion of RMA and the National Association of Broadcasters, and also promotion projects for RMA amplifier and parts manufacturers will be considered. The largest attendance of RMA members during the annual Fall meetings in years is expected.

Preliminary to the meeting of the RMA Board of Directors called by President A. S. Wells on Wednesday, October 11, there will be many RMA committee and group meetings at the Hotel Roosevelt on Tuesday, October 10. On October 10 there will be a large meeting of the RMA Export Committee, called by Chairman S. T. Thompson of Chicago, to consider the many foreign trade problems resulting from the European conflict, including embargoes and quotas, together with the new trade treaties being negotiated by this Government with Argentina and Belgium. Also on October 10 plans to stabilize introduction of new tubes will be considered by the RMA Tube Control Committee of which Dr. W. R.G. Baker of Bridgeport is Chairman.

Several group meetings of parts and accessory manufacturers also will be held October 10, following recent reorganization of the RMA Parts and Accessory Division by Chairman H. E. Osmun of Milwaukee. Already there has been scheduled meetings of the Variable Condenser Section and Volume Control Section, under the respective chairmenship of Samuel Cohen of Elizabeth, N.J., and William Nicely of Chicago, and other newly organized sections of parts manufacturers are arranging additional meetings.

Action will be taken by the RMA Directors October 11 regarding the radio merchandising rules promulgated July 22 by the Federal Trade Commission. Recommendations with respect to RMA action will be made by the Association's Fair Trade Practice Committee of which Commander E. F. McDonald, Jr., of Chicago, is Chairman.

Arrangements will be made by the Association's Board also for procedure before the Treasury Department on October 17 in the hearing arranged by RMA to again urge repeal of the 5 percent radio excise tax. The Treasury hearing is in charge of a special RMA committee headed by A. H. Gardner of Buffalo, and there will be reports to the RMA Board of many other committees in development of Association services to member companies and on many industry problems.

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## RMA TO DISCUSS WAR'S EFFECTS ON INDUSTRY

Fall meetings of the Radio Manufacturers' Association October 10 and 11 in New York City at the Hotel Roosevelt, will largely be devoted to problems and opportunities resulting from the European war and also national defense problems, according to Lloyd Cadman, Executive Vice-President. Plans to promote radio short wave radio, due to the special interest in European broadcasts, together with the joint industry promotion of RMA and the National Association of Broadcasters, and also promotion projects for RMA amplifier and parts manufacturers will be considered. The largest attendance of RMA members during the annual fall meetings in years is expected.

Preliminary to the meeting of the RMA Board of Directors called by President A. S. Wills on Wednesday, October 11, there will be many RMA committee and group meetings at the Hotel Roosevelt on Tuesday, October 10. On October 10 there will be a large meeting of the RMA Export Committee, called by Chairman D. I. Cameron of Philco, to consider the many foreign trade problems resulting from the European conflict, including embargoes and quotas, together with the new trade treaties being negotiated by our Government with Argentina and Brazil. Also on October 10 there is to be a meeting of the Radio Tube Division, at which the RMA Tube Technical Committee of which Mr. R. R. Ryan of Hygrade is Chairman.

Several committees of parts and accessory manufacturers also will be held October 10. Following recent reorganization of the RMA Parts and Accessory Division by Chairman H. S. Wilkinson of Wilkinson Electric, Aircraft Parts has been separated and the Vertical Condenser Section and Vibrator Section, under the jurisdiction of Thomas Cheney of Cornell-Dubilier, and Silicon Division of Thomas, and only a few separate sections of parts manufacturers can arrange additional meetings.

Action will be taken on the RMA Directors October 11 regarding the revised merchandising rules proposed July 25 by the Federal Trade Commission. Recommendations with respect to action will be made by the Association's Trade Practice Committee of Action Chairman E. F. McDonald, Jr., of Zenith, in attendance.

Arrangements will be made by the Legislation Board for the procedure before the Treasury Department on October 17 and the meeting scheduled to begin at 10 A.M. Friday of the 8 people on this special tax. The Board meeting is in charge of a special RMA committee headed by A. R. Sarles of Buffalo, and there will be present at the RMA Board of Directors meeting committees of Association members to discuss memberships and many industry problems.

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## COAST GUARD BUILDING RADIO STATION

A new $250,000 radio station, on land once owned by George Washington, soon will be ready to help the Coast Guard sharpen its watch on America's land and sea boundaries.

The station, under construction at "The Hayfields", Va., once part of the Mount Vernon estate, will be equipped with a powerful receiving unit, and six remote control transmitters, capable of giving the Coast Guard instant communication with points anywhere in the world; including the 90 other Coast Guard radio stations, and hundreds of radio-bearing ships and planes.

Each of the transmitters will be in a separate sealed structure, controlled from the central receiving building 2,500 feet away. The radio plant will also include a testing laboratory and power supply unit, housed in separate buildings.

The present site of the radio center was sold by George Washington to his estate manager and distant relative, Lund Washington, after the Revolutionary War. Nearly 200 acres of the once-rich farm land are being torn up for the necessary underground control cable circuits.

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## CANADA CENSORS POLITICAL TALKS IN ELECTION

The general election which Premier Maurice Duplessis has called in Quebec for next month on the ground that the autonomy of that Province is menaced by the Federal Government's war measures, will be subject to censorship and will be the first in Canada's history to be held under such restrictions, according to the Ottawa correspondent of the New York Times.

Broadcasting of speeches at political meetings held during the campaign will not be allowed. Only studio broadcasts will be permitted and texts submitted in advance will be scanned by the war censors.

The Censorship Board in a statement pointed out that all radio stations in Canada were informed on September 22, before it was known that an election would be held in Quebec, that broadcasts from political platforms would not be allowed since it was impossible to censor them. The order thus has no special application, it is asserted, to the election in Quebec.

Premier Duplessis is irked, however, by the restriction. He declared that it would prevent "free discussion of questions of vital importance to the electors of the Province."

## COAST GUARD BUILDING RADIO STATION

A new $250,000 radio station, on land once owned by Frederick Vanderbilt, soon will be ready to help the Coast Guard carry on its work on America's land and sea boundaries.

The station, under construction at "The Hayfields", Va., on part of the Mount Vernon estate, will be equipped with a powerful receiving unit, and six radio control transmitters, capable of giving the Coast Guard instant communication with points in the world, including the 20 other Coast Guard radio stations, and hundreds of radio-equipped ships and planes.

Each of the transmitters will be in a separate sealed structure, controlled from the central receiving building 2,500 feet away. The radio plant will also include a testing laboratory and power supply unit, housed in separate buildings.

The present site of the radio center was sold by George Washington to his nephew Bushrod Washington, land speculator, after the Revolutionary War. Nearly 200 acres of the 500-odd acre tract have been given over for necessary outer-land control radio circuits.

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## CANADA CLOSES POLITICAL TALKS ON TELEVISION

The federal election which Premier Mackenzie King has decided to conduct for next month or the second time the nation of that province is marked by the Federal Government's ban on broadcasts, which is not to be enforced and will be the first in Canada's history to be held under such restrictions, according to Ottawa correspondent of the New York Times.

Broadcasting of speeches at political meetings held during the campaign will not be allowed. Only studio broadcasts will be permitted and talks submitted in advance will be examined for approval.

The Conservative Party in a statement pointed out that all its stations in Canada were informed on September 28, before the election was called, that such a talk in question, that broadcast from political activities would not be allowed since it was contrary to Canadian law. The order came from the federal government, it is asserted, to the station in Toronto.

Premier Duplessis in Canada, however, by the restrictions, believed that it would prevent free discussion of questions of national importance in the history of the Province.

As for the rule requiring studio political broadcasts to be passed by the censor before delivery, the Premier said emphatically:

"As Prime Minister of Quebec Province I will submit no text to the Canadian Broadcasting Corporation. I contend that the Prime Minister of Quebec has the right to express his views and those of the Province without having to pass through Federal authorities."

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ELECTRICAL AND RADIO GROUP MEETING OCT. 11 IN N.Y.C.

As a feature of the National Foreign Trade Council's Annual Convention being held at the Commodore Hotel, New York City, October 9, 10, and 11, it has been arranged to have Industrial Group meetings covering various industries on Wednesday morning, October 11.

The Electrical and Radio Group meeting will be presided over by William E. Knox, Assistant General Manager of the Westinghouse Electric International Company, who has recently returned from a world wide trip in behalf of his company. John H. Payne, Chief of the Electrical Division, Bureau of Foreign and Domestic Commerce, will act as counselor for the meeting.

This is the second year in which these group meetings have been featured as part of the Foreign Trade Council Convention, the meetings last year having proved particularly interesting and useful.

"Representatives of any American firms interested in Electrical or Radio foreign trade will be welcome, whether they attend the other sessions of the National Foreign Trade Convention or not", the Commerce Department stated. "Questions or subjects for pertinent discussion at the meeting should be sent either to Mr. Knox or Mr. Payne as much in advance of the meeting as possible."

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TELEVISION HELD IMPRACTICAL FOR CANADA

Television development in Canada is definitely in the experimental stage and its early practical application is discounted", the U. S. Commerce Department reports.

"Television presents a difficult geographic problem in Canada and as yet no concern has been inclined to provide television broadcasts because of the indeterminate nature of technical developments and the lack of a concentrated population area large enough to warrant the installation expense", the report states. "Television is not economically feasible in Canada at present."

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As for the rule requiring radio political broadcasts to be passed by the censor before delivery, the Premier said moderatelly:

"As Prime Minister of Quebec Province I will submit a text to the Canadian Broadcasting Corporation. I contend that the Prime Minister of Quebec has the right to express his views and those of the Province without having to pass through federal authority."

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ELECTRICAL AND RADIO GROUP MEETING OCT. 11 IN N.Y.C.

As a feature of the National Foreign Trade Council's annual convention being held at the Commodore Hotel, New York City, October 9, 10, and 11, it has been arranged to have industrial group meetings covering various industries on Wednesday morning, October 11.

The Electrical and Radio Group meeting will be presided over by William S. Knox, assistant General Manager of the Westinghouse Electric International Company, who has recently returned from a world wide trip in behalf of his company. John Wayne, Chief of the Electrical Division, Bureau of Foreign and Domestic Commerce, will act as counselor for the meeting.

This is the second year in which trade group meetings have been featured as part of the Foreign Trade Council Convention, the meetings last year having proved particularly interesting and useful.

"Representatives of any American firms interested in electrical or radio foreign trade will be welcome, whether they attend the other sessions of the National Foreign Trade Convention or not", the Commerce Department stated. "Questions or subjects for particular discussion at the meeting should be sent either to the Group or Mr. Knox as much in advance of the meeting as possible."

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TELEVISION NEED INTERNATIONAL FOR SUCCESS

Television development is seen as having to continue in the experimental stage and the early practical application is discouraged", said E. [illegible] in a report [illegible].

"Television presents difficult economic problem in trade and is yet in process of development. Its successful application presupposes the existence of the industry to provide television programs, the existence of a large number of receiving sets and the existence of a good channel equipment. There are now, to my mind, the insurmountable obstacles, the receiving sets. "Television is not economically feasible in Canada at present."

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## TRADE NOTES

Gene Buck, President, and the Board of Directors of the American Society of Composers, Authors and Publishers have sent out invitations for a "Festival of American Music" to be presented next week in Carnegie Hall, New York City, in commemoration of ASCAP's twenty-fifth anniversary.

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A story of the achievements of Powel Crosley, Jr., of Cincinnati, is carried in the September 30th issue of the Saturday Evening Post. Titled "The Crosley Touch - and Go!", the article by Forrest Davis describes Crosley's varied interests in the industrial and sports fields.

And Mr. Crosley is receiving congratulations today on his Cincinnati "Reds" winning the National Baseball League Pennant for the first time in twenty years.

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The State Department will begin negotiations next month with the Argentine and Belgium Governments on reciprocal trade treaties, it has been officially announced, and the RMA Export Committee under Chairman S. T. Thompson will represent the radio interests involved, especially with Argentina. The RMA is co-operating with the Bureau of Foreign and Domestic Commerce in preparation of radio recommendations and data. American interests in Buenos Aires also are assisting.

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A. MacGillivray, for the last year Assistant Controller of the RCA Manufacturing Company, has been elected Controller of the company, according to announcement this week by George K. Throckmorton, President. Mr. MacGillivray joined the RCA Radiotron Company in 1930 and in 1935 was transferred to the RCA Manufacturing Company headquarters at Camden, N. J., to take charge of tax, insurance and budget accounting activities.

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Bond Geddes, Executive Vice President of RMA, has been elected a Vice President of the American Trade Association Executives, the national organization of over 500 industrial and other trade associations. Mr. Geddes also is on the Board of Directors of the national organization and is Vice President of the Washington Trade Association group.

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Although supporters of Father Charles E. Coughlin met Sunday, as usual, before Station WMCA's headquarters at 1657 Broadway, New York City, the building was not picketed for the first time since December 19, 1938, a representative of the station announced this week.

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## TRADE NOTES

Gene Buck, President, and the Board of Directors of the American Society of Composers, Authors and Publishers have been invited to attend the "Festival of American Music" to be presented next week in Carnegie Hall, New York City, in commemoration of Ozark's twenty-fifth anniversary.

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A story of the advertisement of Great Lakes, Inc., in Automotive, is carried in the December 15th issue of the Saturday Evening Post. Title: "The Jewelry Index - and Tell", the story forms a review of Cleveland's varied industries in the industrial and commercial fields.

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And Mr. Crosley is receiving congratulations today on his firm's "hand" winning the national Thousand Dollar Prize for the first time in twenty years.

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The State Department will begin negotiations next month with the Argentine and Italian Governments on reciprocal trade agreements. It has been strongly approached, and by this Tuesday, under Section 2 of Thursday will propound the trade agreements involved, especially with Argentina. The Tax is now dealing with the Bureau of Foreign and Domestic Commerce in the preparation of trade recommendations and data. Overseas industrial Buenos Aires also are assisting.

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A Merchandiser, for the last year Industrial Consultant to the NCA Manufacturing Company, has been elected Controller of Company, according to announcement made by George A. Pendleton, President. Mr. Merchandiser joined the NCA Manufacturing Company in 1920 and in 1925 was transferred to the NCA Manufacturing Company Headquarters at Dundee, N. J., as the manager of the purchase and budget accounting activities.

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Bond Gardner, Executive Vice President of NBC, has been elected a Vice President of the American Trade Association Executives, the national association of over 500 trade association executives. Mr. Gardner also is on the Board of Directors of the National Association and is Vice President of the Industrial Association group.

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Although negotiations of Jacques Copeau's company, as usual, during Christmas week, in New York City, the building was not ready for the play. Mr. Copeau is, hence, a recent visitor of the Station because this work.

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Federal collections last August of the 5 percent radio excise tax were $401,738.21, a slight increase over the August 1938 radio taxes of $399,828.47. The large seasonal increases in excise taxes on mechanical refrigerators continued in August, when the collections were $1,004,409.97, compared with refrigerator taxes in August 1938 of $418,762.09.

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Tony Wakeman, WOL sports commentator, and the American Broadcasting Co., Washington, owner and operator of WOL, has asked District Court to dismiss the $150,000 slander suit filed against them recently by Natie Brown, Washington heavyweight. Brown's suit alleges that the sports broadcaster, in a broadcast the day after the Washington fighter met Tony Galento in the ring at Detroit last February, accused Brown of "taking a dive" for the New Jersey boxer.

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Niles Trammell, Executive Vice-President of the National Broadcasting Company, has announced the appointment of A. E. Nelson, Sales Manager of the NBC-Blue Network, as Manager of Stations KPO and KGO, San Francisco, effective October 1st, and the transfer of Lloyd E. Yoder, Manager of KPO and KGO, to the managership of Station KOA, Denver, on October 15. Both will report to William S. Hedges, NBC Vice-President in charge of stations. At the same time, Mr. Trammell announced the appointment of Robert Owen as Assistant Manager of KOA, effective October 15.

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## MID-SUMMER RADIO EMPLOYMENT SHOWS GAINS

Large increases last June in radio factory employment and payrolls, without much change in average weekly and hourly earnings and hours worked, were detailed in the current June employment report of the U. S. Bureau of Labor Statistics. Nationally there was a considerable employment increase last June, 46 of 87 manufacturing industries surveyed reporting employment increases, and 57 larger payrolls.

Radio factory employment last June increased 12.6 and was 33.1 percent above radio employment in June 1938. The June index figure was 108.5 compared with the previous May index of 96.4. A supplementary government report stated that in the monthly turnover rate per 100 radio employees there were layoffs of only 1.55 per 100 last June and 1.81 the following month of July, while the ratio of new radio employees hired was 7.87 last June and 6.51 in July, compared with 7.77 in July 1938.

Radio factory payrolls last June increased 13.2 percent and were 32.9 percent above radio payrolls in June 1938. The June index figure on payrolls was 95.2 compared with the previous May index of 84.1.

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Federal collections last August of the 5 percent radio tax were $401,725.21, a slight increase over the August 1946 radio taxes of $399,835.47. The large seasonal increases in excise taxes on mechanical refrigerators continued in August, and the collections were $1,004,409.27, compared with refrigerator taxes in August 1945 of $412,752.35.

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Tony Wakeman, NBC sports commentator and the American Broadcasting Co., Washington, owner and operator of WCN, has asked District Court to dismiss the $250,000 slander suit filed against them recently by Rate Brown, Washington heavyweight. Brown's suit alleges that the sports broadcaster, in a broadcast the day after the Washington fighter met Tony Galento in the ring, described Brown's record as "terrible" and "taking a dive" for the heavy boxer.

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Miles Tremell, executive vice President of the National Broadcasting Company, has announced the appointment of A. L. Ryan, Sales Manager of the Pacific Network, as Manager of stations KGO and KGO. Don Tranchin, effective October 1st, and Director of Lloyd E. Yoder, Manager of WMC and KGO, to the operation of station KOA, Denver, on October 1st. Both will report to William S. Hedges, NBC Vice-President in charge of station. At the same time, Mr. Tremell announces the appointment Robert Dunn as Assistant Manager of KOA, effective October 1st.

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MID-SUMMER RADIO EMPLOYMENT SHOWS GAINS

Large increases last week in radio factory employment particularly without much change in overall manufacturing and sales work, were detailed in the current June report issued by the U. S. Bureau of Labor Statistics. Actually there was a considerable employment increase last June, as 37 manufacturing industries surveyed reported employment increases, and 27 showed a decrease.

Radio factory employment last June increased 12.4 and 20.1 percent above radio employment in June 1946. The June index was 106.8 compared with the revised May index of 95.0.

A supplementary survey covered monthly trends so that monthly comparisons with our 100 series could be made. Average hourly earnings were 1.49 per cent higher than the preceding month or 8.6 per cent higher than June and 1.8% the following month or 1.5 while the index of new radio manufacturing was 7.8% lower than and 6.8% in July, compared with 7.7% in July 1946.

Radio factory payrolls last June increased 16.9 compared with 20.7 percent above radio payrolls in June 1946. The June index on payrolls was 91.7 compared with the previous May index of 84.1.

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## PACIFIC CABLE RATE HEARING SCHEDULED

The Federal Communications Commission this week ordered an investigation into the practices of six West Coast telegraph companies handling transpacific cables.

The Commission alleged that charges for transpacific messages are lower when sent from Seattle and Los Angeles than when originating at Portland, Ore. The companies named are the Mackay Radio and Telegraph Co., of California; R.C.A. Communications, Inc.; Commercial Pacific Cable Co.; Globe Wireless, Ltd.; The Western Union Telegraph Co.; and The Postal Telegraph-Cable Company. A hearing has been set for October 30th.

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## TELEVISION SPECTACLES ARE GRANTED PATENT

Albert A. Arnhym of Chicago has obtained a U. S. patent (No. 2,058,941) which offers a pair of television spectacles which are sensitive to infra-red rays. The patent states: "In protection against airplanes in wartime the heated portions of the airplane, such, for example, as the engine, would emit infra-red rays through any intervening fog or smoke, or through ordinary darkness, and said rays would be rendered visible by means of the present invention.

He also states that airplane pilots flying safely above clouds and wearing such tele-spectacles would be able to see the terrain below through the infra-red rays radiating from the ground.

It has already been reported that England, France, Germany and Italy have experimented with aerial television. Planes equipped with television sets, it is said, have sent pictures of the clouds through which they are flying to a ground station, while the latter has transmitted to the pilots pictures of clouds thirty miles ahead.

Aerial television holds the possibility of permitting artillery men to see exactly where their shells are falling miles away. A plane carrying a television set might send back to headquarters an actual scene of enemy troop movements and concentrations exactly as they are at the moment. On the screen, officers of a battleship would see whether the shells hurled from its guns were landing on the enemy ships out of ordinary sight beyond the horizon.

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LA GUARDIA FOILS CIVIL SERVICE ON ASCAP

Mayor F. H. LaGuardia intervened in New York Wednesday to forestall the arrest of Gene Buck, President, and three other officers of the American Society of Composers, Authors and Publishers on warrants issued in Missoula County, Montana, charging attempted extortion, attempts to obtain money under false pretenses and conspiracy, according to the New York Herald Tribune. The charges emanated from a dispute between ASCAP and some Montana radio stations over the payment of royalties on broadcast music, and Mayor LaGuardia, it was said, believed that the whole question was a civil, rather than criminal, one.

New York detectives were about to execute the warrants in the office of Louis D. Frohlich, ASCAP's general counsel, when they received a telephone call from Summer City Hall. They took all the papers to the Mayor's office there and a few hours later Police Commissioner Lewis J. Valentine announced:

"This is all a very technical matter. His Honor, the Mayor, has checked it and has instructed the Police Department to confer with the Corporation Counsel before taking further action."

Mr. Frohlich was one of the other ASCAP officials accused by the warrants, which were made out last June 19 by Ward H. Jones, Justice of the Peace of the Township of Hellgate, Mont., on the complaint of A. J. Mosby, operator of radio station KJVO, in Missoula County. The other two officers were E. C. Mills, Chairman of ASCAP's Administrative Committee, and John Paine, General Manager.

The warrants also named as defendants Lenox R. Lohr, President of the National Broadcasting Co.; William W. Paley, President of the Columbia Broadcasting System; Niles Trammell and Edward Klauber, respectively Executive Vice-Presidents of the two chains; A. L. Ashby, Vice-President and General Counsel, and John F. Royal, Vice-President in Charge of Programs of NBC; Isaac D. Levy, a director of Station WCAU, of Philadelphia, and "John Doe".

No attempt was made, however, to execute the warrants on these officials. NBC announced that the Missoula County authorities had ordered the warrants withheld as far as the NBC officials were concerned because NBC has sent the authorities a statement asserting that the company was not guilty.

A similar statement was sent by CBS, the Herald Tribune said, but none by ASCAP. So on Sept. 19 Edward T. Dussault, Missoula County District Attorney, wrote the New York police either to obtain statements similar to those received from NBC and CBS from the four ASCAP officials "or incarcerate them under the warrants of arrest that you have."

Mr. Mills said that he went with Mr. Buck and Mr. Paine to Mr. Frohlich's office not only expecting but wanting to be arrested. He said that ASCAP wanted to fight the thing out, rather than accept the alternative of sending a statement to Missoula County protesting innocence and refusing to waive extradition, as NBC and CBS had done. He said he just could not understand why such a statement could be substituted for arrest.

Asked to unravel the background of the tangled situation, Mr. Mills said that Mr. Mosby had taken advantage of a new "anti-ASCAP" law in Montana to broadcast ASCAP music without paying royalties. The radio chains were still supplying music to Mr. Mosby without collecting any money for ASCAP, the composers' copyright pool, but Mr. Mosby feared they were "conspiring" to cut off the music supply and demand royalties. This, he said, was the basis of Mr. Mosby's "haywire" charges of extortion and conspiracy.

# LA GUARDIA TELLS CIVIL SERVICE CONVENTION

Mayor F. H. LaGuardia interrupted in New York Thursday to forestall the arrest of Gen. Sun, President, and three other officers of the American Society of Composers, Authors and Publishers on warrants issued in Nassau County, Mineola, charging attempted extortion, attempts to obtain money under false pretenses and conspiracy, according to the New York Herald Tribune.

The charges emanated from a dispute between ASCAP and some radio stations over the payment of royalties on broadcast music, and Mayor LaGuardia, it was said, believed that the whole proceeding was a civil, rather than criminal, one.

New York detectives were ready to execute the warrants in the office of Louis D. Frohlich, ASCAP's general counsel, when they received a telephone call from Queens City Hall. They took all the papers to the Mayor's office instead and a few hours later Police Commissioner Lewis J. Valentine announced:

"This is all a very technical matter. The Mayor, the Mayor, has checked it and has instructed the Police Department to confer with the Corporation Counsel before taking further action."

Mr. Frohlich was one of the other ASCAP officials accused by the warrants, which were made out last June 19 by Ward H. Jones, Justice of the Peace of the Township of Hempstead, on the complaint of A. J. Morby, operator of radio station WCDO, in Nassau County. The other officers were T. M. Mills, Chairman of ASCAP's Administrative Committee, and John Paine, General Manager.

The warrants also named as defendants Lenox R. Lohr, President of the National Broadcasting Co.; William S. Paley, President of the Columbia Broadcasting System; Alfred Tremaine, Edward Nungesser, respectively Executive Vice-President and Treasurer; A. L. Ashby, Vice-President and General Counsel, and John T. Royal, Vice-President in Charge of Programs of NBC; Isaac D. Levy, a director of Station WCAU, Philadelphia, and "John Doe".

No attempt was made, however, to execute the warrants on these officials. NBC announced that Nassau County authorities had withdrawn the warrants affecting so far as the NBC officials were concerned because NBC has sent the authorities a statement asserting that the company was not guilty.

A similar statement was sent by CBS, the Herald Tribune said, but none by ASCAP. Soon Seor. Id Edwin T. Dwyer, Nassau County District Attorney, with the New York police sought to obtain statements similar to those received from NBC and CBS from the four ASCAP officials, or indictments then under the warrants of arrest that was done.

Mr. Mills said that he was not with Mr. Paley and Mr. Lohr to Mr. Frohlich's office but only expecting one meeting to be arranged. He said that ASCAP wanted to fight the thing out, rather than accept the alternative of enabling a disorganized Nassau County prosecuting innocent officials to wave extortion, as NBC and CBS had done. He said the Institute must understand why such statements should be submitted for arrest.

Asked to describe the background of the charges against Mr. Mills said that Mr. Morby had been advertiser of a new "anti-ASCAP" law in Nebraska to prevent ASCAP music witnesses paying royalties. The radio station was willing to pay to Mr. Morby without collecting any money for ASCAP, the complainant might pool, but Mr. Morby wanted that were "blackmailing" to get off the music monopoly and demand royalties. This, he said, was the basis of Mr. Morby's "business" charge of extortion and conspiracy.

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

INDEX TO ISSUE OF OCTOBER 3, 1939



No. 1162

October 3, 1939.

PAYNE RULING SEEN AS SLAP AT RADIO LAWYERS

Commissioner George Henry Payne, who has been strangely quiet for the past year, this week let loose a blast that rocked his erstwhile foes, the radio lawyers, and may cost them an estimated $100,000 a year.

Delivering a rigid interpretation of a new Federal Communications Commission rule regarding interventions, Commissioner Payne set a precedent, which if followed in subsequent FCC decisions, will curtail considerably radio litigation before the Commission. Mr. Payne's decision is expected to be appealed to the full Commission.

Denying a petition of the Orlando Broadcasting Co., of Orlando, Fla., for leave to intervene in a case involving an application for a construction permit to erect another station in Orlando, Commissioner Payne held that the applicant had not shown that the case vitally affects its own interests.

"The instant petition to intervene and to enlarge the issues to include questions other than those specified in the Notice of Hearing requires an interpretation of the Commission's Rule 1.102 which became effective on August 1, 1939", Commissioner Payne explained. "Because the questions raised by the instant petition are also involved in a number of other petitions now pending on the motions docket, I feel that it is appropriate to express in some detail my views concerning the sufficiency of the instant petition in the light of the Commission's present rule governing intervention and enlargement of issues.

"The Commission's rule relating to intervention and enlargement of issues, reads as follows:

"'Sec. 1.102 Intervention. Petitions for intervention must set forth the grounds of the proposed intervention, the position and interest of the petitioner in the proceeding, the facts on which the petitioner bases his claim that his intervention will be in the public interest and must be subscribed or verified in accordance with Sec. 1.122. The granting of a petition to intervene shall have the effect of permitting intervention before the Commission but shall not be considered as any recognition of any legal or equitable right or interest in the proceeding. The granting of such petition shall not have the effect of changing or enlarging the issues which shall be those specified in the Commission's notice of hearing unless on motion the Commission shall amend the same.'

"The underlying purpose of the Commission in adopting its present rule on intervention was to correct a practice which had become prevalent under the prior rule of the Commission relating to intervention. Under its former rule, the Commission permitted any person to intervene in a hearing if his petition disclosed 'a substantial interest in the subject matter'. This standard was so broad and the Commission's practice under it was so loose that intervention in Commission hearings came to be almost a matter lying in the exclusive discretion of persons seeking to become parties to Commission proceedings. The experience of the Commission during the past few years clearly demonstrated that the participation of parties other than the applicent in broadcast proceedings in a great many cases resulted in unnecessarily long delays and expense to both the Commission and applicants without any compensating public benefit. In many cases the major function served by intervenors was to impede the progress of the hearing, increase the size of the record, confuse the issues and pile up costs to the applicant and to the Commission through the introduction of cumulative evidence, unnecessary cross-examination, dilatory motions, requests for oral argument and other devices designed to prevent expeditious disposal of Commission business.

"The underlying purpose of the present rule is to limit participation in proceedings, particularly on broadcast applications, to those persons whose participation will be of assistance to the Commission in carrying out its statutory functions. The present rule requires a petitioner to set forth not only his interest in the proceeding but also 'the facts on which the petitioner bases his claim that his intervention will be in the public interest'. The fact that a proposed intervenor may have the right to contest in a court the validity of an order granting or denying a particular application does not in and of itself mean that such person is entitled as a matter of right to be made a party to the proceedings before the Commission on such application. Intervention in proceedings before administrative agencies like the Federal Communications Commission is ordinarily covered by statutory provision.

"The Communications Act contains no provisions giving the right of intervention in proceedings before the Commission to any person or class of persons, but expressly provides that the Commission may conduct its proceedings in such manner as will best conduce to the proper dispatch of business and to the ends as will best conduce to the proper dispatch of business and to the ends of justice. By the adoption of Rule 1.102 the Commission in effect has declared that it will conduce to the proper dispatch of business and to the ends of justice if it permits intervention in a proceeding before it only if the making of a record in which the facts are fully and completely developed, is facilitated by permitting the requested intervention. It is this theory - that where the public will benefit through aid or assistance given to the Commission or the applicant by a party-intervenor in a broadcast hearing, such participation should be permitted - which underlies Rule 1.102."

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## CODE COMMITTEE CONSIDERS COUGHLIN BAN

Ticklish issues, chief of which is the Father Coughlin broadcasts, were being considered by the NAB Code Compliance Committee in executive session early this week in Washington. It is the first session of the Committee since the Code became operative on Monday.

Pressure has been brought to bear on the Committee to outlaw the commercial broadcasts of the Detroit priest, it is understood, on the ground that they fall under the NAB Code ban on the injection of controversial talks in sponsored programs.

As forty odd stations are paid for the programs, however, are paid an aggregate of $6,600 a week for the time, an appeal to the NAB Board of Directors is expected if the Code Committee tries to limit Father Coughlin to the public forum periods.

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## RADIO EXPORTS SET NEW MONTHLY HIGH

United States exports of radio transmitting sets, tubes and parts attained a new monthly high level in August with a total of $310,585, a relatively good improvement over the July total of $280,847, according to the Electrical Division, Department of Commerce. An important gain was also registered by radio receiving set sales which advanced from $618,890 in July to $802,154 in August.

During the same period exports of electrical equipment generally amounted to $9,223,656, a decline of $288,305, or 3 percent, from the July total of $9,511,961.

Although August shipments were below those for the preceding month, they were $479,677, or 5.5 percent, better than foreign sales during the corresponding month of 1938.

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## SUPREME COURT PONDERS APPEAL OF WLW

The final word on whether or not Station WLW, Cincinnati, has a legal right to resume operation with an experimental power of 500,000 watts awaits a decision of the United States Supreme Court, which convened this week.

The Crosley Corporation, through Duke M. Patrick, Washington counsel, filed an appeal for a writ of certiorari last

week, seeking a review of the decision of the U. S. Court of Appeals for the District of Columbia, which had sustained the Federal Communications Commission.

Mr. Patrick contended the lower court erred in dismissing its appeal from the FCC decision refusing to renew the 500,000 watt authorization as well as in holding that the license which WLW sought to have renewed was not a "license" within the meaning of the Act. This latter contention grew out of the fact that the super-power authorization was in the nature of a special experimental grant, rather than a standard form of license.

The highest tribunal may or may not take jurisdiction. Lawyers point out that in the majority of petitions for certiorari, the court refuses to accept them unless a fundamental question of law, heretofore undecided, is involved.

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EDUCATORS CRITICAL OF NAB CODE OF ETHICS

As the National Association of Broadcasters began administering its self-imposed Code of Ethics this week, the National Committee on Education by Radio released a critical analysis of the Code in its bi-monthly bulletin "Education by Radio".

Reciting the history of the code movement from the statement made by David Sarnoff, President of the Radio Corporation of America, at the chain-monopoly hearing of the Federal Communications Commission in December, 1938, the Committee organ cites comparisons of the proposed Code and the provisions actually adopted subsequently at Atlantic City.

"The Committee drafted a provision for dealing with controversial issues which would have eliminated any possibility of further continuation of such unfairness", S. Howard Evans, Secretary, wrote. "Their proposed rule required that time for such discussion be given rather than sold and that if controversial issues were discussed on sponsored programs at least two representative and opposing points of view should be presented.

"One practical effect of such provisions was this: when considered in relation to the recommendations for religious broadcasts, they seemed to be forcing Father Coughlin either to change the character of his recent broadcasts or cease to use radio. The very fact that such results could be anticipated is an indication of the care with which the proposed code was drawn. The meaning of such a document would have been clear. Protest could have been made about specific provisions in it and changes could have been effected without destroying the value of the code.

"The code actually adopted by representatives of the various stations at the National Association of Broadcasters' convention in Atlantic City is a totally different thing. While well worded, its meaning is not clear. Its provisions are not specific. Its objectives seem to be not so much meeting the social obligations set for radio by Mr. Sarnoff as making the acceptance of a code an end in itself. This is said, not as a criticism of industrial self regulation, but as a comment on this particular effort of commercial broadcasters to win public confidence. Self regulation is to be encouraged, but its objective must be public service, not industrial public relations."

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## TWO UNLICENSED AMATEURS CONVICTED

The Federal Communications Commission has disclosed that Egen Stickles and Howard W. Crandall, both of Bradford, Pennsylvania, have been convicted in the Federal District Court of Erie, Pennsylvania, on charges of operating an unlicensed amateur radio station in violation of Section 318 of the Federal Communications Act. Egen Stickles was also convicted of operating the station without an operator's license in violation of Section 301 of the Act.

Both men pled guilty and were placed on probation for two years. They were also required to pay the costs of the trial. The case was prosecuted by the U. S. District Attorney in Erie on evidence supplied by Inspector Walter Davis, of the field staff of the Federal Communications Commission.

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## SENATE DEBATE SHOWS NEED FOR AMPLIFIERS

Spectators who packed the Senate galleries this week to hear the historic neutrality debate complained that the Senate chamber is not equipped as is the House with a modern amplification system.

The words of Senators often were inaudible in the galleries, even to newspaper correspondents.

So far veterans in the Senate have refused to permit installation of an amplification system on the ground that it would offend the Senate's traditional dignity.

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## EDUCATORS' ASSOCIATION BACK LAGUARDIA PLEA

As the Federal Communications Commission denied a request of the New York City counsel on behalf of Mayor LaGuardia to strike two of the issues in the forthcoming hearings on WNYC, National Association of Educational Broadcasters announced its support of the New York Mayor's fight for amendment of FCC rules.

Mayor LaGuardia and New York officials will be given a hearing October 16 on his proposal that non-commercial stations such as WNYC be permitted to pick up and rebroadcast short-wave programs.

"It was felt that the granting of the application", the Educational Broadcasters said, "would pave the way for experimentation which in time might make possible a network of educational broadcasting stations."

Meanwhile, the New York City Council opened its Fall season with a row over "freedom of the air", centering about operations of the municipal broadcasting station.

The issue was raised by the Fusion-Republican-Labor group after the Democratic majority had tried to end the practice of broadcasting the Council's proceedings over WNYC.

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## WOR GETS PERMIT FOR FREQUENCY MODULATED STATION

The Federal Communications Commission has given WOR, New York, permission to construct a new frequency-modulated broadcasting station to service the metropolitan area. The new station will operate with a power of 1000 watts on an ultra-high frequency channel of 43.3 megacycles under the call letters W2X1, according to J. R. Poppele, Chief Engineer of WOR.

Employing the Armstrong system of frequency modulation - a complete departure from the usual methods of radiophone transmission - this new station's site is to be selected by WOR engineers within the next few weeks at the conclusion of extensive field tests.

Developed by Maj. Edward Armstrong at his laboratories in Alpine, N. J., the new system is distinguished by its ability to overcome static and noisy reception, to improve fidelity of reproduction and to eliminate current problems of inter-station interference and service coverage.

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## TRADE NOTES

W.V.B. Van Dyck, Assistant to the President of the International General Electric Company has been decorated by the Brazilian Government with the Order of The Southern Cross, the highest order given by the Brazilian Government to private citizens. The presentation was made by Oscar Correia, Consul-General of Brazil in New York.

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Two Pennsylvania stations - WJAC, Johnstown, and WFBG, Altoona - became affiliated with the Red Network of the National Broadcasting Company on October 1, bringing the total of NBC stations to 176. WJAC, owned by WJAC, Inc., operates on a local channel of 1370 kc. with a power of 250 watts, day and night. WFBG operates on a local channel of 1310 kc., with full-time power of 100 watts. It is owned by the Gable Broadcasting Company.

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In a complaint issued by the Federal Trade Commission, Martin Benjamin Rothman, trading as Esquire Products, 216 North Clinton St., Chicago, was charged with using lottery devices in the sale and distribution of radios, waffle irons, silverware, coffee tray sets, pencils and griddles. According to the complaint, the respondent furnished various push cards accompanied by order blanks, instructions, and other printed matter for use in the sale and distribution of his merchandise by means of a lottery scheme. Alleging violation of the Federal Trade Commission Act, the complaint granted the respondent 20 days for filing answer to the charges.

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Two more stations joined the Mutual Broadcasting System with the addition of WEBC and WDSM, servicing both Duluth, Minnesota, and Superior, Wisconsin, effective October 1. WEBC operates on a channel of 1290 kilocycles with 5000 watts day, 1000 watts night. WDSM employs 100 watts full-time on a frequency of 1200 kilocycles. The Mutual tally now stands at 123 affiliates.

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Twenty-three high schools in New York City have been selected by the Board of Education as origination points of the Friday broadcasts over CBS network during the 1939-40 session of "Columbia's American School of the Air". A twenty-fourth high school is soon to be selected. The Friday series, entitled "This Living World", is presented by CBS in cooperation with the New York City Board of Education and the National Education Association. Programs dealing with history and current events are to be broadcast from the auditorium stage of a different high school each week. An average attendance of 2,500 pupils is expected at each broadcast, so that more than 50,000 students will have an opportunity to see how the "School of the Air" is produced.

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# TRADE NOTES

10/3/39

ASCAP OPENS ANNIVERSARY MUSIC FESTIVAL

In celebration of its twenty-fifth birthday, the American Society of Composers, Authors and Publishers began Sunday night at Carnegie Hall, New York City, a week's festival of American music. The festival has a twofold purpose: to honor American creative artists and to serve as an anodyne for those who are heavy-laden from the war abroad.

Sunday night's program was the first of eight, all presented by ASCAP "with its compliments and deep gratitude to the whole American people". The festival is to be a cavalcade of American tonal art, according to the New York Times music critic, taking in its stride music that is, in the words of Gene Buck, President of ASCAP, "serious and frivolous, sacred and secular, songs of the soil or works for the symphony".

The opening program stemmed from light opera and musical comedy. The songs and lyrics of every number were written by members of ASCAP. Dr. Frank J. Black led the orchestra, which was assisted by a mixed chorus. Occasional solos were sung by Hollace Shaw, soprano, and Floyd Sherman, tenor. The evening's principal soloist was Jane Froman who was listed in the program book as a soprano, a word that fails to do justice to the range of her voice or the passion of her singing.

It was a program for sentimentalists. Probably the young jitterbugs would regard tunes like Victor Herbert's "Kiss Me Again" and "A Kiss in the Dark", or Sigmund Romberg's "Indian Love Call" as being on the "corny" side. But the old codgers among the sentimentalists could be equally short about what the young jitterbugs regard as "in the groove", and probably they will be when swing has its innings later in the week.

There were songs on the program that every American has heard or had to hear in recent years. Prime favorites like Cole Porter's "Night and Day", George Gershwin's "The Man I Love", Irving Berlin's "Easter Parade", Jerome Kern's "Ole Man River". There was a memorial medly of music by Victor Herbert, founder of ASCAP; Rudolf Friml and George M. Cohan also were honored with medleys and George Gershwin's "Porgy and Bess" was represented.

Last night's program honored the Negro in American music. There was symphonic music, minstrelsy and a jam session.

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## RCA AND FARNSWORTH SIGN PATENT AGREEMENT

Radio Corporation of America and Farnsworth Television & Radio Corporation announce that they have entered into patent license agreements whereby each party has acquired the right to use the inventions of the other in the fields of television and in other fields of their respective businesses.

Radio Corporation of America acquired a non-exclusive license under the patents of the Farnsworth Corporation for television receivers, for television transmitters and other radio and sound recording and reproducing apparatus. The Farnsworth Corporation acquired a standard, non-exclusive license for broadcast and television receivers and electrical phonographs under the patents of Radio Corporation of America, and also other non-exclusive licenses for television and broadcast transmitters and for its other fields of business. Neither Corporation acquired any right to grant sub-licenses to third parties under the patents of the other Corporation.

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## FINCH PUTS 87,500 SHARES ON MARKET

A registration statement covering 87,500 shares of common stock of Finch Telecommunications, Inc., was filed last week with the Securities and Exchange Commission at Washington, it was announced by W.G.H. Finch, President. Public offering of the stock is expected to be made by a group of investment dealers headed by Distributors Group, Inc., according to Mr. Finch.

Proceeds of the financing are expected to be used by the company, according to Mr. Finch, for the purchase of additional machinery, expansion of sales and advertising, for research and development, and for additional working capital and general corporate purposes.

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## NBC, MBS WIN D.M.A.A. AWARDS

The National Broadcasting Company was presented with three of the four citations to radio companies as direct mail leaders of 1939 by the Direct Mail Advertising Association at its annual banquet held last week at the Hotel Roosevelt, New York City.

For the second consecutive year, the Mutual Broadcasting System&s Sales Promotion Department was awarded a scroll by the D.M.A.A. for "general excellence and results achieved". The

awarding of the scroll to Robert A. Schmid, Sales Promotion Manager for Mutual, brings the total of Mutual's sales promotion awards for 1939 to three.

NBC executives whose departments received the citations for 1939 campaigns were E.P.H. James, NBC Advertising and Sales Promotion Manager, New York; Emmons C. Carlson, Advertising and Sales Promotion Manager of NBC stations WMAQ and WENR, Chicago, and John H. Dodge, Commercial Manager of NBC stations WMAL and WRC, Washington, D. C.

Judges were Dr. Kenneth Dameron, Professor of Marketing, Ohio State University, Chairman; Dr. Paul H. Nystrom, Professor of Marketing, Columbia University; C. B. Larrabee, Managing Editor, Printer's Ink; S. H. Giellerup, Vice-President, Marschalk & Pratt, Inc., and L. Rohe Walter, Advertising Manager, the Flinkote Company, and President of the D.M.A.A.

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## A.P. DIRECTORS TO CONSIDER RADIO POLICY

Radio will be a major topic of discussion at the Board meeting of the Associated Press, to be held in New York October 3. A thorough study and analysis of the results of the action taken last Spring, when for the first time A.P. news was made available for broadcasting under commercial sponsorship, will be made by the Board and certain changes in the present setup may be made.

There are now 19 member newspapers broadcasting AP news on sponsored programs on their owned or associated stations, paying AP an extra assessment amounting to 25% of the first wire and general charge elements for the privilege. More than 100 member papers are paying a 5% extra charge to broadcast AP news on a sustaining basis, according to L. P. Hall, AP executive, who said that many of these publishers had expressed an intention of using the news commercially as soon as their present contracts with other news services expire.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF OCTOBER 6, 1939



No. 1163

COUGHLIN BAN SEEN IN NAB CODE DEFINITION

While carefully avoiding the mentioning of names, the Code Committee of the National Association of Broadcasters this week left no doubt in the minds of broadcasters that such sponsored controversial programs as Father Coughlin, the Rev. Walton Cole, and Judge Rutherford must be eliminated by subscribing stations.

The Committee, holding its first meeting in Washington, also barred sponsored talks on the neutrality issue but insisted that ample time be allowed for pro and condiscussion of such questions on time furnished free of charge by the broadcasters.

NAB officials admitted that complaints against the broadcasts of Father Coughlin occupied much of the attention of the Code Committee at its executive sessions.

The Committee, in its formal statement, also cited the Code's prohibition against "attacks upon another's race or religion".

Some resignations from the NAB, and possibly an appeal to the Board of Directors, are expected if the trade association enforces its Code provisions so as to bar sponsored broadcasts by Father Coughlin, Judge Rutherford, and others.

Edgar Bill, Chairman of the Code Committee, said its deliberations "chiefly centered around problems involving the religious and public controversial sections of the new Code".

"In approaching the public controversial section of the Code", he added, which bars the sale of time for such discussions, but which provides that such discussions be placed on the air without cost, the Committee emphasizes the underlying principles involved.

"There is a limitation to the number of radio channels now available for broadcasting in this country.

"There is also a limit as to the number of hours available per day for broadcasting. Newspapers may add any number of extra pages to accommodate their overflow news and advertising columns. No comparable opportunity exists in the daily schedule of a radio station, which must adhere to the hands of the clock.

"In the absence of any self-imposed policy to the contrary, it is conceivable that some individuals or groups with

financial means to do so could buy all the available time necessary to monopolize, dominate or control the discussion of public issues through the radio medium, precluding a fair opportunity for an opposition without financial resources to present its case to the radio audience.

"Such a situation would pervert the function of American radio as a forum of democracy, and would irreparably shatter the confidence of the public in the American system of broadcasting.

"In order to assure the American people for all time that such an intolerable misuse of radio facilities cannot happen, the Code states that 'Time for the presentation of controversial issues shall not be sold'.

"The Code does not bar anyone or any group from using radio. It simply denies the right to buy time, for the reasons stated.

"Representative spokesmen of groups in the field of public controversial issues have a perfect right to request time on the air, from a network or station, in accord with the public interest therein as outlined in the Code. 'Broadcasters shall use their best efforts to allot such time free of charge, with fairness to all elements in a given controversy.'

"The handling of public controversial issues by radio stations is a matter of principle and not one of personalities.

"The Code Compliance Committee realizes that whether a matter is a public controversial subject or not is one sometimes difficult to determine, particularly in national and statewide affairs.

"The Committee feels, therefore, that its duty and function is that of rendering advisory opinions, and of rendering advisory opinions, and of recommending procedures through which a sincere and uniform understanding of, and compliance with the Code, may be achieved.

"Toward such ends, the Committee holds as self-evident that no determination as to the character or classification of a proposed program or radio address can be established until an advance script has been examined by the station management.

"The Committee recommends, therefore, that

(a) Since discussions of controversial public issues have been eliminated from paid commercial broadcasts, adequate time for the presentation of controversial public issues shall continue to be provided free of charge by each station or network, in accordance with the public interest therein.

"(b) All such scripts shall be required in advance, for examination in light of the Code.

"(c) Under no circumstances will compensation be accepted by the station or network for time consumed by the spokesman of a controversial public issue, unless,

"(d) The spokesmen appear on a public forum type of broadcast regularly presented, in conformity with the Code, as 'a series of fair-sided discussions of public issues and when control of the fairness of the program rests wholly with the broadcasting station or network'."

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WMCA CASE PROVING A "HOT POTATO" FOR FCC

The case of WMCA, New York, which the Federal Communications Commission attacked with confidence a few weeks ago, has become a "hot potato" for the FCC, it was learned this week, and has the Commission stymied for the time being.

Sharply split over what action should be taken, the FCC has used the absence of Commissioner Thad Brown to postpone action for a week or ten days. Commissioner Brown left the middle of the week to resume hearings on the Great Lakes radio traffic inquiry.

The reported line-up within the Commission is: Commissioners Frederick Thompson and George Henry Payne are urging that WMCA's license be revoked. Commdr. T.A.M. Craven and Norman S. Case think that the evidence does not justify any drastic punishment though they would be agreeable to a reprimand.

The other three Commissioners appear likely to jump either way although Paul Walker may not participate as he did not attend the hearing. Chairman James L. Fly, while harsh in his conduct of the hearing, is understood to be listening to the arguments of members who are opposing revocation.

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The Federal Communications Commission granted conditionally this week the application of the Nebraska Broadcasting Corporation for a new station in Fremont, Neb., to operate on the frequency 1370 kc. with power of 250 watts day, 100 watts night, unlimited hours of operation.

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## COMMUNICATION FACILITIES LABELLED "CONTRABAND"

"All means of communication have been listed as "contraband of war" by Great Britain, according to information received by the Commerce Department from the U. S. Embassy in London.

"No official interpretations by the British Government as to what is comprised under the above classes of goods or as to the conditions of enforcement of the contraband proclamation have yet been received", the Commerce Department stated.

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## EDUCATIONAL PROGRAMS LAG; LOSSES NOTED

American educational radio programs lag considerably behind those of pre-war Britain, according to T. H. Shelby, of the University of Texas, who has just completed a two-summer survey of radio in education under a Rockefeller Foundation grant.

At the same time the National Association of Educational Broadcasters, while admitting setbacks within the last year, stated that "the progress which many educational stations made in securing better facilities and in the improvement of plant and equipment was balanced against three particularly unfavorable developments.

"The Ohio School of the Air which was reinstated only last year had to be dropped because of lack of an appropriation by the State Legislature. In Florida, Station WRUF was forced to discontinue broadcasting as a strictly non-commercial station because the item in the State budget for its maintenance and operation was vetoed by the Governor after it had been given approval by the State Legislature. In Wisconsin, the State radio station was compelled to ask for a postponement on its application to the Federal Communications Commission for a clear channel because of the failure of the State administration to set aside the necessary funds."

Dr. Shelby found that techniques are best in the Eastern United States with the West in second position and the South and Southwest on the lowest rung. Carefully prepared programs and professional radio technicians have raised the Eastern area into first rank, he believes.

Acknowledging the present meager advantages of the Southwest, the University of Texas this Fall began a campaign on several fronts to remedy the deficiencies as far as Texas is concerned. This institution has created a bureau of research in education by radio, has built a $20,000 radio studio, and appointed a general program production director of university radio activity.

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## THREE MORE AMATEURS ARE CONVICTED

The Federal Communications Commission announced this week that Lester B. Bentley, Max Pross and Louis D. Welsh, all of Kokomo, Indiana, have been convicted in the Federal District Court, at Indianapolis, Indiana, on charges of operating an unlicensed radio station in the amateur bands in violation of Section 318 of the Federal Communications Act. All three men were also convicted of operating the station without operator's licenses in violation of Section 301 of the Act.

Indictments were secured against each of the three defendants. They were arrested and upon arraignment in the District Court, they all entered pleas of guilty. The Court fined each defendant $10.

The case was prosecuted by Val Nolan, United States Attorney for the Southern District of Indiana, on evidence supplied by Inspector H. T. Gallaher, of the field staff of the Federal Communications Commission.

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## FCC PROBES JAPANESE USE OF G.E. WAVELENGTHS

The Federal Communications Commission this week began an investigation of the reported blanketing of General Electric's powerful San Francisco station in the Far East by Japanese broadcasts.

A press association dispatch from Shanghai stated that a new series of Japanese broadcasts had been started on the same wavelength as used by the Treasure Island station at the San Francisco World's Fair. The result, the dispatch said, was a complete blanketing of the United States broadcasts for Oriental listeners.

"Broadcasts from the Treasure Island station have been extremely popular throughout the Orient", the dispatch stated. "Thousands of listeners will be cut off by the activities of the Japanese station."

FCC officials said that no report has yet been received from the Commission's representative in San Francisco but one is expected within a few days.

"If the report is found true", an FCC spokesman said, "representations will be made to the State Department. Japan has no right to use the wavelengths assigned to General Electric as they were allocated to the United States by international treaty."

Japan is a party to the international radio treaties signed at Madrid in 1932 and at Cairo in 1938.

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Indictments were returned against each of the three defendants. They were arrested and were arraigned in the district court, where they pleaded guilty. The court fined each defendant $10.

The case was prosecuted by Matthew McLaughlin, United States Attorney for the Southern District of Indiana, on evidence supplied by Inspector C. Mahoney of the Field Division of the Federal Communications Commission.

## INDEX NOTE:

### FCC PROSECUTES WOMAN OF N.Y. BROADCASTING

The Federal Communications Commission late week began an investigation of the activities of Dorothy Blanchard, a Central Park Broadcaster, with a view to her fine by a Brooklyn court.

A press association report from Washington stated that a portion of Miss Blanchard's broadcasting appeared on the same wavelength as used by the Treasury Island station at the San Francisco World's Fair. The result, the statement said, was a complete blanketing of the Fair station broadcasts by Miss Blanchard's signals.

"Broadcasts from the Treasury Island station have been strongly regular throughout the country," the statement stated. "Complaints of interference with our work by the activities of the Central station."

FCC officials said that no report was yet been received from the Commission's representatives in San Francisco, but one is expected within a few days.

"If this report is found true," the FCC spokesman said, "prosecution will be made in the case immediately. Japan has a right to use the channel now assigned to Federal Station as they have allocated it and United Station by international treaty."

Japan is a party to the International radio treaties signed at Madrid in 1932 and Atlantic City, 1937.

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## NATIONAL GROUPS LAUD NAB CODE

The National Association of Broadcasters this week released statements from a number of national organizations and distinguished Americans who have commended and endorsed the new NAB Code which became effective October 1, and which provides that controversial public discussions be accorded free time and barred from "paid time", and which declares that "radio, which reaches men of all creeds and races simultaneously, may not be used to convey attacks upon another's race or religion".

Prominent among the organizations which issued commendatory statements are the National Council of Catholic Men, the Federal Council of the Churches of Christ in America, the American Civil Liberties Union, the National Council on Freedom from Censorship, the National Council of Women, the General Federation of Women's Clubs, the Boys' Clubs of America, the Association of National Advertisers, the American Association of Advertising Agencies, and individuals including William Allen White, George V. Denny of Town Hall; Lyman Bryson of Columbia University.

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## CUBA CLOSES AMATEURS, CONSIDERS AD RATES

The President of Cuba is reported to have signed a decree closing all amateur radio and telegraph stations pending reorganization in accordance with agreements of the Inter American Radio Conference of December 19, 1937, according to the American Commercial Attache, at Havana. The amateur stations are to be closed for a period of 30 days which may be extended to 60 days.

The Cuban Bureau of Radio is reported to have under consideration a schedule providing for a series of rates to be charged for time by the various long wave broadcasting stations. The rates will be set in accordance with the classification of the various stations on the bases of power, etc., the report to the Commerce Department stated.

Press reports state the Bureau of Radio is considering the closing of 11 short wave stations for not complying with the agreements of the Inter American Radio Conference or with regulations of the Department of Communications.

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The Federal Communications Commission this week granted the application of Civic Broadcasting Corporation, Syracuse, N.Y. for a new station to operate on 1500 kc., 100 watts, unlimited time.

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FRENCH RADIO RESTRICTIONS RECEIVED IN U. S.

War-time restrictions on the operations of radio stations in France have been received by the U. S. Commerce Department. Unlike the Nazis, the French have placed no curb on the listeners.

Pertinent provisions of the new regulations follow:

"All radio electric broadcasting stations not in keeping with the needs of national interest are suppressed. The operation of broadcasting stations maintained is assured by the State or Governmental services. Their allotment between the various ministerial departments charged with their operation is fixed by interministerial decree.

"Private radio electric receiving sets are left, in principle, at the disposition of their owners under the same conditions as in time of peace.

"The military authorities are empowered to seize any private receiving sets, which they judge of utility to suppress in the interest of national defense.

"Private broadcasting stations and broadcasting-receiving stations passing into the service of the State are requisitioned. The material of the suppressed radio electric stations is notified by the municipal authority or the public colonial authority to the qualified military or maritime authority which will cause it to be removed, kept under guard or sealed up."

"The service of private radio telephonic communications is suspended.

"Under reserve of the measures of control defined hereafter, the service of private radio telegraphic communications is maintained, except with the enemy countries and to the exclusion of lines which require the use of radio electric lines or stations situated in enemy countries."

"The maintenance of unauthorized radio electric stations, the establishment of fraudulent radio electric stations, the use of these stations, the communication to third parties of information received or transmitted by radio telegraph or radio telephone of interest to national defense or the security of the state, will expose the delinquents to seizure of the apparata without prejudice to the penalties applicable respectively to these facts."

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"The service of private radio telephone communications is suspended.

"Under reserve of the measures of control defined hereafter, the service of private radio telegraphic communications is suspended, except with the energy necessaries and to the medium of lines which requires the use of radio electric lines or installations situated in enemy countries."

"The maintenance of unauthorized radio electric stations, the establishment of transmitting radio electric stations, the use of these stations, the communication to third parties of intercepted or transmitted by radio telegraphic or radio telephonic interest to national defense or the security of the state, will cause the delinquents to sentenced are generally without prejudice to the penalties established, respectively to those facts."

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## NAB RULING HIT BY WJR EXECUTIVE

John F. Patt, Vice President of the key station in the Rev. Charles E. Coughlin's Sunday afternoon radio network, Thursday branded the NAB Code ruling on controversial broadcasts a step "in the direction of censorship and abridgement of free speech", according to an Associated Press dispatch from Cleveland.

Mr. Patt is Vice President of WJR in Detroit, the originating station for the broadcasts, and of affiliated WGAR in Cleveland.

Mr. Patt asked if the Association contemplated "that this provision of the Code would mean that such famous personalities, commentators and speakers as W. J. Cameron, Dorothy Thompson, Boake Carter, Lowell Thomas, Edwin C. Hill, H. V. Kaltenborn, John B. Kennedy, Elmer Davis, Hugh Johnson and many others could never again express an opinion on a sponsored program?

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## SONGS FOR SOLDIERS FEATURED IN CANADA

The Canadian Broadcasting Corporation announced this week that its radio programs henceforth will feature songs that are liked by soldiers. It also will carry "on the spot" broadcasts from camps and barracks over national networks.

"Canada's national war effort, now gathering momentum daily, is reflected in different ways in the programs offered by Canada's national radio", the Broadcasting Corporation stated.

"First in interest to everyone in the Dominion, is the welfare of the men who have been first to answer their country's call. In tents and barracks in every Province, these high-spirited young Canadians are training for the heavy task that they have so willingly accepted as one of the obligations of citizenship in a free country.

"Just as an elder generation of Canadians did twenty-odd years ago, these soldier lads of 1939 are finding an outlet for their natural exuberance in sing-song and concert party. So that their relatives and friends, and in fact every home in Canada, can share and enjoy their infectious high spirits, CBC is making these sing-songs and concerts a national network feature. The first was 'The Army Sings', broadcast from Halifax to the national network on September 27. This week, on October 11, from 10:00 to 10:30 P.M.EST, Canadian listeners will hear 'The Navy Sings', also broadcast from Halifax. The troops themselves, as well as the general public, will be entertained throughout the Fall and Winter by lively variety shows of the sort that every soldier loves.

"An additional, and particularly interest feature will be actually 'on-the-spot' broadcasts from camp and barracks, which will describe at first hand the daily life of the Canadian soldier in training, his work and his relaxation."

## TRADE NOTES

World Radio Markets series of the Department of Commerce, released this week, covered Tunisia and Windward Islands.

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The Radio Corporation of America reduced its bank loans by $1,000,000 to $4,000,000 on May 26, a statement to the Securities and Exchange Commission showed this week. The loans remained at $4,000,000 on August 31.

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A. D. Willard, General Manager of Station WJSV, Washington, participated in a broadcast Thursday night sponsored by WJSV and the Washington Post, inaugurating a traffic safety campaign in which special award tags will be given motorists who perform unusual acts of courtesy.

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Robert A. Simon, pioneer radio writer, annotator and music critic of The New Yorker magazine, will join WOR's program department next Monday as Director of Continuities, according to Julius F. Seebach, Jr., WOR's Vice President in Charge of Programs.

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The Federal Communications Commission announced this week its proposed findings of fact and conclusions, proposing to grant the application of WSUI, State University of Iowa, Iowa City, Iowa, to increase power from 1 KW day and 500 watts night, to 1 KW night, 5 KW day, unlimited time on 880 kc., move transmitter to a new site locally, install new equipment, and employ a directive antenna both day and night. The application was granted conditionally and all parties concerned will have opportunity to file exceptions within 20 days, and thereafter to request oral argument on the proposed report and exceptions.

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The Columbia Broadcasting System's gross sales for last month amounted to $2,565,246 and represented a boost of 60.2% over the billings for September, 1938. The National Broadcasting Company accounted for $3,315,307 on its two networks, an increase of 11.3% over last year. NBC's breakdown figures $2,648,892 for the red (WEAF) link and $666,415 for the blue (WJZ) network.

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## ASCAP FILES SUITS IN MONTANA FIGHT

American Society of Composers, Authors and Publishers this week fired its first retaliatory shot against the Montana broadcaster contingent by filing several infringement suits against Ed Craney, who operates KGIR, Butte, and A. J. Mosby, owner of KGVO, Missoula, according to Variety.

Actions involving Mosby were filed with the U. S. District Court in Mosby's home town, while the Craney suits were filed with the Federal Court in Helena.

Complaint against Mosby lists Harms, Inc., for seven infringements, Leo Feist, Inc., for five, Santly-Joy-Select, Inc., for four, Chappell & Co. for five, Irving Berlin, Inc., for six, while the batch named in the Craney case consists of five infringements of Berlin works, four of Chappell's and nine of Harms'. Additional complaints, ASCAP announced this week will be filed against both broadcasters as soon as papers can be prepared in behalf of many other copyright owners.

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## CINCINNATI CITIZENS LOOK AT TELEVISION

Citizens of Greater Cincinnati had their first peek at television and technical observers gathered information on their reactions during a public demonstration held in one of the city's department stores last week.

The effectiveness of contrast in clothing, and of continuous action before the camera, was noted by members of the WLW special events department in charge of directing entertainment for the six-day demonstration. Floor shows from Cincinnati night clubs and entertainers of the WLW staff drew large attendances. The biggest crowds, however, gathered when members of the Cincinnati Reds appeared to talk to and be viewed by enthusiastic baseball fans.

Technical equipment, installed and manned by R.C.A., did not provide actual television broadcasting. Instead, the iconoscopes, or television cameras, were located on the fourth floor of the store and connected by coaxial cable with receiving sets on the ninth.

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10/6/39

WAR BOOSTS SALES OF RADIOS IN U. S.

"The European war has apparently stimulated interest in radio listening, with the result that sharp sales gains were experienced last month by several manufacturers", according to the New York Times' business page. "Pilot Radio Corporation has jumped from twenty-fifth to second position in total portable and table model set sales, the company reported; Stewart-Warner receiver sales for September were the largest in the company's history, while the General Electric model being promoted currently in the Consolidated Edison campaign has sold exceptionally well.

"Eight months ago Pilot decided that its export market would be seriously threatened and concentrated on portables for the Summer months and plug-in sets that required no outside aerials for this Fall and Winter for the domestic trade. Newspapers and radio broadcasts were used and the response was so successful that the campaign will be broadened through Austin & Spector Company, Inc.

"Stewart-Warner radio sales for September increased 317 percent over the like month of 1938. The company has been running an intensive newspaper campaign in major markets. The demand for radio-phonograph combinations has been so heavy that some distributors have already been caught short on these models.

"The General Electric radio, which is being heavily advertised in New York newspapers, has sold very well, with some dealers taking two to three times their original quotas."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

INDEX TO ISSUE OF OCTOBER 10, 1939.



No. 1164

October 10, 1939

TELEVISION AT CRUCIAL STAGE, FCC INFORMED

The secondary report of a Special Committee of the Federal Communications Commission investigating television, expected to be submitted to the full Commission sometime this month, is being awaited with keen interest by broadcasters because of the probable effect it may have on the future course of visual broadcasting in the United States.

Television has reached a crucial stage, according to information reaching the Federal Communications Commission, and unless some aid is accorded it either by governmental subsidy or commercial backing its progress may be halted before it is well begun.

Sales of television receivers have been disappointing, even in New York City, where visual broadcasting has made the most advances, the FCC has been informed. Meanwhile, television in European countries, especially Great Britain, has been shunted aside by the war.

The special Television Committee of the FCC, which has been studying the problem for months, is headed by Comdr. T.A.M. Craven and includes Commissioners Norman S. Case and Thad H. Brown.

Many millions of dollars have been spent by the laboratories and manufacturing companies interested in radio development in bringing the art to its present state. During the past year it was said that more than half a million dollars has been used in further experimentation, and unless the industry can receive some encouragement from the governmental agency the laboratories are about ready to stop. They can't stand the pace of continually putting out money, with no opportunity to cash in to any extent.

While the regulatory body is not disposed to throw any obstacles into the efforts of the developers to obtain some return on the results so far, it is giving very serious study to the problem in an effort to find a way that the project can be encouraged, at the same time protecting both the rights of the industry and the public.

In a preliminary report, the Committee headed by Commissioner Craven held that television was not yet ready for public reception, predicated largely on the belief the projected sets might be subjected to rapid obsolescense without any salvage value. Furthermore, at that time, there was a belief there was not enough information on which to lay down the program for establishment of stations.

October 10, 1950

# TELEVISION AT CRITICAL STAGE, SAYS INVENTOR

The accompany report of a Special Committee of the National Communications Commission investigating television, and to be submitted to the full Commission on October 16, which is being awaited with keen interest by manufacturers because of the economic effort it may have on the future course of research and selling in the United States.

Television has proceeded a minimum stage, according to information received by the Federal Communications Commission, and has done and is expected to either by government or private commercial backing its progress may be halted before it is ready.

Since it left its pre-war years have been of experimental to be sure that it, after a period of development has made the most progress, the FCC has been informed, generally, by private in foreign countries, especially Great Britain, has been conducted by the war.

The special committee of the FCC which has been studying the problem, is headed by Chairman T. A. M. Craven and includes Commissioners E. Jones and Frank C. Walker.

Many citizens or groups have been sent to the Commission and manufacturers, including Dr. Vladimir K. Zworykin, in behalf of the use of the present channels. During the past it was said that there had been a million dollars spent in further experimentation, and which the industry has been doing some experimenting and which the industry has been doing some experimenting with the corresponding supply the industries are ready to go. This was a shock to the made of industry manufacturers and money, with no prospects to work in a direct.

While the regulatory body is not directed to know or decide the future of the operation of the Television to which some feeling is felt, it is doing very serious thing to the production in an effort to [illegible] the product and to encourage the same time protecting and the rights of the industry and people.

In a recent interview, Dr. Zworykin headed of Radio Corporation of America, said television was not yet ready for the transition period from the [illegible] to the [illegible] television. He said it would be [illegible] observers without any delays. Continuing, it also said, there was a point [illegible] enough information to make it not have the [illegible] satisfactory [illegible].

The early report had the unintended effect of cooling the public toward efforts of the manufacturers to get their sets on the market, and the industry is said to have suffered, so much so in fact that the matter was called to the attention of the staff of the Commission. The report merely tried to tell the public of the developments so that it would know what it was buying.

Further development which has come to the attention of the Commission since the preliminary report is that the matter of distribution of programs is nearer solution. The first belief was that it would have to be distributed by chains over the expensive coaxial cable, but now it is believed the point has been reached where the programs may be chained by the radio relay; that is the signals instead of being piped by telephone lines as the sound programs are now, they will be broadcast and a chain station would pick up the signals on a receiver and rebroadcast them.

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PAYNE RULING HIT; FULL HEARING ASKED

Caustically criticizing the ruling of Commissioner George Henry Payne in the Orlando (Fla.) case, George O. Sutton, Washington attorney, asked for a full hearing this week before the Federal Communications Commission.

Other Washington radio attorneys are watching the case with interest because of the effect it may have on future legal practice and the rights of radio stations to intervene in pending cases.

After complaining that he had never been notified of Commissioner Payne's ruling, Mr. Sutton insisted that the Commissioner's ruling is not in conformity with the FCC rule, just adopted, relating to interventions.

"This petitioner sympathizes with the Commission in its many problems", the brief stated, "but it is in no wise guilty nor responsible for the acts and conditions therein set out. It is further submitted that if the Commissioner feels that it is incumbent to make a public condemnation of the practices which the Commission has created by its own rules and regulations, all of which acts and conditions were brought about with its knowledge, consent and approval, and the Commission desires to change such deplorable conditions, it cannot be blamed upon this petitioner, unless explicit accusations and illustrations are cited.

"Exception is taken to the first paragraph on page 3 of the decision of Commissioner Payne as contained in mimeograph 36567. If the purpose of the present rule 1.102, relative to intervention, is correctly stated in the first sentence of this paragraph, then the Commission as a matter of law should condemn this rule as

being unjust, illegal, arbitrary, and contrary to existing court decisions on this point, or else first convince the courts that they should over-rule certain existing decisions relative to such practice. If the Commission is attempting by this explanation of the rule, to limit intervention only to those parties who come in as amicus curiae, then only confusion will result, with resulting long litigation to correct the interpretation of the rule. The interpretation here given the rule is not in conformity with the position taken by the Commission and its counsel in many appeal cases before the courts. Commission counsel has contended time and again that it was not bound by strict rules, but that it was seeking all the relevant facts it could obtain with respect to the rights and interests of all parties concerned, upon which it should base a decision. There has been no public notice heretofore that the Commission has changed its policy in this respect. . .

"The argument that 'the Communications Act contains no provisions giving the right of intervention in proceedings before the Commission to any person or class of persons, but expressly provides that the Commission may conduct its proceedings in such manner as will best conduce to the proper dispatch of business and to the ends of justice', cannot be construed to prevent intervention in the light of Section 4(j) of the Act. Evidently the language 'that the Commission may conduct its proceedings in such a manner as will best conduce to the proper dispatch of business and to the ends of justice' is also taken from this section. How can the third sentence of this section be made compatible with the last two sentences in the first paragraph on page 3 of the instant decision, wherein it is stated that only where the public will benefit through air or assistance given to the Commission by an applicant or intervener is he entitled to participate in such a proceeding.

"The third sentence of Section 4(j) states definitely: 'Any party may appear before theCommission and be heard, in person or by attorney.' The language in other sections of the Act (402(b)-405) also indicates the intent of Congress that the Commission shall attempt with its specialized knowledge of the field to obtain all the necessary facts before trying to reach a legal conclusion that the granting of a specific application is or is not in the public interest. . . . .

"It is submitted that it is not a wholly unnecessary, wasteful, and costly procedure for the Commission to hold a public hearing and permit interested parties to participate therein in order that their rights may be determined. It is submitted, however, that it is a wholly unnecessary and wasteful procedure for the Commission to ignore the rights of interested parties, hold an ex parte hearing with respect to the rights of such parties, and then to cause litigation in the courts to determine whether or not such interested parties are entitled to participate in the initial hearings. Again, such a procedure is a return to the conditions when the Commission undertook, during the early thirties, to grant licenses without a hearing, which in turn abrogated the rights of interested parties, and which has been condemned by the courts.

"Exception is taken to the first paragraph on page 5 of the decision of Commissioner Payne in Docket 5698 in that the procedure therein suggested is wasteful of time and energy both on the part of the Commission and interested parties. If the purport of the first sentence in the paragraph is to the effect that one or more hearings should be held on an application, and interveners should not be permitted to participate in all proceedings, then it smacks of Star Chamber proceedings and defeats the argument of the Commission with respect to the saving of time and money."

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FCC TO GET NEW PRESS CHIEF

George Gillingham, of the TVA press section, is to be named shortly as head of the Press Section of the Federal Communications Commission, it was learned this week.

Chairman James L. Fly, who was general counsel of TVA, is said to have asked for Mr. Gillingham's transfer.

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FTC CLOSES CASE AGAINST NEW YORK FIRM

The Federal Trade Commission has closed its case against Harry G. Cisin, trading as Allied Engineering Institute, 98 Park Place, New York, who was charged with misleading representations in the sale of radio receiving sets.

The Commission was advised that the respondent had suspended the manufacture and sale of radio receiving sets and discontinued the practices charged in the complaint. On September 19, 1939, he submitted a statement adopting and agreeing to abide by the fair trade practice rules for the radio receiving set manufacturing industry promulgated July 22, 1939, in the future conduct of his radio business.

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ELLIOTT ROOSEVELT CITES CODE, SPEAKS ANYWAY

Elliott Roosevelt Saturday warned he might be cut off the air, then said in a radio speech from Fort Worth, Texas, he favored repeal of the arms embargo.

The National Association of Broadcasters recently imposed a ban on discussion of controversial questions by commentators on sponsored programs.

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# U.S. RADIO PROJECT EMPLOYS 383, DRAWS FAN MAIL

The radio project of the U. S. Office of Education employs 383 persons, 16 of whom are supervisors, and now sponsors three educational programs, which have drawn 257,000 fan letters within the past year, according to a booklet released this week on "Federal Activities in Education" and published by the National Education Association.

The radio project, financed by Federal relief funds, was established in December 1935, the booklet recalls.

"Its twofold objective is: (1) to provide employment for persons with radio and script-writing talent who are on relief, and (2) to discover ways in which radio can be used to promote education, both for organized instruction and for general enlightenment", the article states. "The project uses radio facilities offered free to the Office of Education by commercial radio corporations for public service programs.

"The project is attempting to demonstrate that an educational agency can create and present radio programs of an informative and educational character which rival in quality the best commercial broadcasts. In promoting education by radio the project does two things: it engages in network or exchange broadcasting, and it gives aid and counsel to schools, colleges, and local radio stations.

"Series of half-hour programs are produced in cooperation with broadcasting networks and national organizations. During the current year (1938-39) three such series have been broadcast. 'Wings for the Martins' is a program about modern thought and practice in education, particularly as reflected in family life. 'Americans All - Immigrants All' dramatizes the contributions of many races and nationalities to the growth of the United States. 'The World Is Yours' deals with the advances of science as evidenced in the research and exhibits of the Smithsonian Institution.

"The Educational Radio Script Exchange of the radio project, organized in 1936 to serve as a clearinghouse for radio scripts and production suggestions, offers scripts free of charge to high schools, college groups, workshops, and other local radio groups producing their own programs. The Federal project has also developed the use of supplementary visual aids designed to help listeners to understand the programs better, and it has distributed many copies of this material. The local development of radio has also been promoted by the allocation of emergency relief funds to school and college radio centers. The Office of Education has helped to establish a short-term radio workshop at New York University for educators interested in obtaining radio experience.

"The radio project is carried on under the Commissioner of Education, and is in immediate charge of a director. It includes a script division for writing programs, a production division (now centered in New York City), an audience preparation division, and a business division.

"The National Broadcasting Company and the Columbia Broadcasting System and their affiliates cooperate with the Office of Education and contribute funds for the project. Funds have also been advanced by the Federal Radio Education Committee for the development of the Script Exchange, by the Rockefeller Foundation for scripts on local government, by the Smithsonian Institution for expenses incurred in preparing a series of scripts, by New York University for the radio workshop, and by the Committee on Scientific Aids to Education for recordings. A number of private educational organizations, such as the Service Bureau for Intercultural Education and the National Congress of Parents and Teachers, have cooperated extensively in the production of certain series of programs."

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MAP AND S-W NEWS LOG ISSUED BY MANUFACTURER

Stromberg-Carlson, radio manufacturer, this week distributed copies of a handy booklet entitled "Map of Europe and Short-Wave News in English Log."

Besides the clear, colored map of Europe, the folder lists the news-in-English broadcasts from London, Berlin, Paris, Rome, and other European capitals in Eastern Standard Time. It also carries a diagram showing the best times to use different short-wave bands.

Tips on tuning short-wave sets, a time conversion table, foreign language news broadcasts beamed on North America, and a list of NBC, CBS, and MBS stations are included in the folder.

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SPIES, SPIES EVERYWHERE, FCC TIPSTERS SAY

Federal Communications Commission mobile monitor stations have been kept busy in recent weeks, especially in the National Capital, checking on reports of illegal short-wave transmissions, often along the fasionable "Embassy Row".

Tipsters, who often mistake some form of electrical interference in their households, for "outlaw" station operations, have been unusually active since the European war started, FCC officials said.

Most of the tips, unless too outlandish, have been investigated, but no unlicensed stations have been located to date in Washington.

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"The radio project is carried on under the Communications Foundation, and is an immediate charge of a director. It includes a major studio for writing programs, a production studio (now centered in New York City), an audience research division, and a business division.

"The National Broadcasting Company and the Columbia Broadcasting System and their affiliates cooperate with the Office of Education and contribute funds for the project. Funds have also been advanced by the Federal Radio Education Committee for the development of the Script Exchange, by the Rockefeller Foundation for script by local broadcasters, by the Carnegie Corporation for expenses incurred in preparing a series of articles by New York University for the radio workshop, and by the Commission on Educational Radio to Education for recording. A number of private industrial organizations, such as the Service Bureau of Corporations, Educational Broadcasting Corporation of Pittsburgh and others, have proposed potentially to the production of certain educational programs."

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## ARE AND S-T NEWS ARE SOUGHT BY MANUFACTURERS

Stroboscopic-Cathode, radio manufacturers, this week discovered copies of a newly available "Map of Secret Are and Short-Wave News in English."

Such has been, actually, only one of thousands, the radio manufacturers discovered free London, Berlin, Paris, and other European capitals in locating strategic "hot" spots in Europe. Distance meaning the word cross to use different short-wave bands.

Tips on tuning short-wave sets, a time conversion table, foreign language news programs, change in world frequencies, and a map of ARE, CBS and NBC stations are included in the folder.

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## SATIRE, TRUE EXPERIENCE, FOR TOMORROW NAT

Federal Communications Commission Commissioner Jones has been sent back to newspaper work, especially to the Kansas Capital, according to reports of liberal newspaper friends, after along the Carlson-Jones "Tomorrow Night."

Therefore, the Jones satirical sketch, one of a series of satirical sketches in which Commissioner Jones "Charlie" Carlson constantly has been unmercifully roasted since the Commission was started, CBS broadcasts today.

Most of the time, unless the satirical, and have been, unfriendly, but the unfriendliness of the satirists have been too to be serious.

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## CIVIL LIBERTIES UNION DEFENDS NAB CODE

The American Civil Liberties Union this week came to the defense of the new Code adopted by the National Association of Broadcasters in a sharp reply to an attack on the Code by John F. Patt, Vice-President of WJR in Detroit, and WGAR in Cleveland.

"In a telegram to the NAB Code Committee, Mr. Patt charged that the Code violates freedom of speech and 'goes beyond self-regulation into the realm of strangulation, stagnation and censorship'", the statement released by the American Civil Liberties Union sets forth.

"Replying to Mr. Patt's attack, the Civil Liberties Union, in a statement signed by Arthur Garfield Hays and Morris L. Ernst, general counsel, and Quincy Howe, Chairman of the National Council on Freedom from Censorship, declared:

"'It strikes us as highly improper for the Detroit station at which Father Coughlin's programs originate to criticize the new NAB Code for denying free speech. Complaint has already been made to the Federal Communications Commission against that station for denying opponents of Father Coughlin an opportunity to reply to him. What Mr. Patt really means is that the profit has been taken out of free speech since hereafter Father Coughlin or anybody else under the rules of the new Code cannot purchase time for the discussion of public issues. This is wholly in the interest of free speech since it puts everybody on the basis of equality and puts people without money on precisely the same footing as people with it. The new Code corrects a situation so obviously unfair to free speech as to commend itself to every reasonable person. It does away with the justified criticism that public discussion has been weighted heavily on the side of those with large sums to buy time.

"'Father Coughlin's sponsors evidently do not believe in fair play. They want a "fair advantage" through the purchase of time. The Civil Liberties Union condemns such an attitude and commends the enforcement of the Code in the interest of equal rights for all in the discussion of public issues.'"

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The Commerce Department reports that the Government of India anticipates purchasing American radio transmitting equipment, but has no details or indications as to whether the proposed purchases are to be considerable. Firms with representatives in British India should suggest attention to this possibility, the Department advises.

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## TRADE NOTES

Through the cooperation of the Radio Corporation of America, the National Broadcasting Company and the RCA Manufacturing Company, two one-reel sound films, "Air Waves" and "Television", produced by Pathe for theatrical distribution, have been made available to schools, churches and clubs at transportation costs.

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The Columbia Broadcasting System, operator of Station WJSV, Washington, last week paid a $1,000 fee, equivalent to the cost of domesticating in the State of Virginia in order to avoid the necessity of defending an appeal to the State Supreme Court from a decision of the Corporation Commission.

An order entered at Richmond showed that Columbia planned to move its station to Maryland by May 1, 1940, and had agreed to pay the $1,000 if the State would drop its proposed appeal, to which the Attorney General agreed.

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In honor of the 1939 World Series broadcasts, which the Mutual Broadcasting System handled exclusively, WOR-Mutual's Engineering Department designed a special microphone. J. R. Poppele, Chief Engineer of WOR, produced the "Baseball Microphone". Its base is shaped like a home plate. The standard is a miniature baseball bat, and the mike itself - a non-directional, wide-angled "eight-ball" mike - is enclosed in an enlarged replica of a baseball.

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Columbia Broadcasting System this week announced that Dr. Lee de Forest, distinguished pioneer in the development of wireless communication, has accepted membership on the Board of Consultants of "Columbia's American School of the Air". Dr. de Forest will serve as advisor to the air school in fields of science in general and radio technology in particular. His name brings to 41 the number of prominent educators and scientists who aid in planning the curriculum and supervising the educational contents of the ten-year-old "American School of the Air" programs.

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Neville Miller, President of the National Association of Broadcasters, will be heard over WOR and the coast-to-coast Mutual Broadcasting System on Saturday from 1:30 to 1:45 P.M., EST, when he addresses the luncheon meeting of the National Conference on Civil Liberties.

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## TRADE NOTES

## CROSLEY EXPLAINS FAILURE TO CARRY WORLD SERIES

The following statement was issued late last week by James D. Shouse, Vice President of the Crosley Corporation in charge of broadcasting.

"The Crosley Corporation, operators of WLW and WSAI, take this opportunity to state their deep regret at being unable to supply their audiences with play-by-play descriptions of the World Series games. We consider this to be particularly unfortunate in view of the fact that for the first time in 20 years, Cincinnati's own team was a participant.

"Station WSAI has for many, many seasons brought complete play-by-play descriptions of all baseball games. However, permission to carry the World Series broadcasts on WSAI was denied, even though we offered to make no charge to the Gillette Company or the Mutual Broadcasting System, who purchased the exclusive broadcast rights from the Commissioner of Baseball. WLW was offered the broadcast of the world series, but inasmuch as the games were sold this year on a commercial basis we did not desire to break long-term contracts entered into with other advertisers in order to carry advertising for a World Series sponsor. WLW also was offered at no cost for the Series games occurring on days when WLW was available.

"WSAI will resume the broadcasting of baseball games for the entire season of 1940. In making this announcement we do not wish to imply any criticism of the arrangements which were made, but have merely felt that our listeners are entitled to an explanation of the situation."

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## CUBAN RADIO IMPORTS DECLINE IN 1939

Private compilations show that Cuban imports of radio sets during the first eight months of 1939 numbered 11,257 units, with a total value of 209,039 pesos, as compared with 12,897 sets valued at 306,947 pesos, entered during the corresponding period of 1938, according to the American Commercial Attache.

Imports from The Netherlands during the first eight months of this year numbered 1,100 valued at 17,674 pesos, as compared with 948 units valued at 20,022 pesos, during the corresponding period of last year.

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## CROSLEY EXPLAINS FAILURE TO CARRY WGAL SERIES

The following statement was issued July last week by James D. Shouse, Vice President of the Crosley Corporation in charge of broadcasting.

"The Crosley Corporation, operators of WLW and WSAI, take this opportunity to state that they regret as being unable to supply their audiences with play-by-play descriptions of the World's Series games. We consider this to be particularly unfortunate in view of the fact that for the first time in 30 years, Cincinnati's own team was in participation.

"Station WSAI had for many, many seasons brought complete play-by-play descriptions of all baseball games. However, in addition to carry the World Series broadcasts on WSAI was impossible, even though we offered to make no charge to the Cincinnati Company or the National Broadcasting System. The particular competitive broadcasts prevent the Columbia Broadcasting Company or Mutual. We were approached because of the world series, the business of the series made it worthwhile on a commercial basis we did not decide to carry broadcasts exclusively from with other advertisers in order to carry advertising for a Cincinnati Service Company. This decision was made at no cost for the entire Cincinnati Company for the entire World Series.

"We wish to express our appreciation of the support given the entire expenditure. In making this announcement we do not wish to imply any criticism of the arrangements made in the case, but have merely sought that our listeners are entitled to an explanation of the situation."

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## TOTAL RADIO PROFITS DECLINE IN 1929

Private compilations show that Total Profits of radio be larger than the high record of 1928 was, $11,687,000, the total value of 302,025 sets, as compared with $2,887,000 and 206,687 sets, respectively, listed during the corresponding period 1928, according to the American Telephone and Telegraph Company.

Imports from the Netherlands during the first eight months of this year numbered 1,100 valued at $17,000 as compared with the entire year of 1928 of 20,000 sets, during the corresponding period of last year.

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## LaGUARDIA LAUDS ASCAP AS MUSIC WEEK CLOSES

Mayor LaGuardia, after participating in the ASCAP concerts at Carnegie Hall, New York, last week lauded the "week of music" which ASCAP sponsored in celebration of its twenty-fifth anniversary.

After an introduction by former Mayor James J. Walker, LaGuardia said:

"I think it's great that here in New York we are having a week of wartime horror. I am glad to say that America is now repaying our musical debt to Europe in full."

On Wednesday night the New York Mayor wielded a baton over the bands of the police, fire, and sanitation departments.

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## CODE RULING JUSTIFIED, SAYS EDITOR

"The new rule laid down by the Code Committee of the National Association of Broadcasters binding individual stations to refuse hereafter to sell radio time to 'spokesmen of controversial public issues' widens the scope of a policy already in force on the major networks", the Washington Star stated editorially this week.

"Under the regulations now announced the presentation of 'controversial' matter will be confined to free periods granted to 'representative spokesmen or groups * * * in accord with public interest, program balance and availability of time', or to the forum type of program, which may or may not be commercially sponsored, but where both sides of a question are treated equally.

"The reason for this step, the Committee said, was the realization that, 'in the absence of any self-imposed policy to the contrary, it is conceivable that some individuals or groups with financial means to do so could buy all the available time necessary to monopolize, dominate or control the discussion of public issues through the radio medium, precluding a fair opportunity for an opposition without financial resources to present its case to the radio audience.'

"More tangible than this cure for a potential evil is the likelihood that the rule will limit the effective range of some notable voices whose advocacy of causes tends to exceed the bounds of polite debate.

"Coming at a time when the arms embargo controversy is at its height, the new ruling, applying to about 92 percent of commercial radio, undoubtedly will be the target of attack. Until and unless it is demonstrated, however, that it infringes on a free and frank discussion of public issues that is unmarked by the introduction of extraneous factors, it stands as a proper exercise of the right of self-regulation."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF OCTOBER 13, 1939




No. 1165

## LaFOLLETTE WARNS OF RADIO CURBS IN WAR TIME

Arguing against repeal of the arms embargo clause of the Neutrality Act, Senator LaFollette (Progressive), of Wisconsin, this week warned of strict censorship curbs on radio and the press if the United States goes to war.

"War kills democracy", he said in the Senate. "Men cannot speak, think, talk, or write freely. They no longer can participate freely as free citizens of a free state. They are subjects. They are objects to be handled by the war machine. There may be no free radio discussion. Newspapers which speak a kind word for peace, if they speak it vigorously, may find that they cannot get the necessary priorities in newsprint and ink; or perhaps their reporters, editors, and compositors will all suddenly be needed in active war service. . . .

"Also, since the last war the President has been given a number of tremendously far-reaching powers. Under the Federal Communications Act he has the power, in war or national emergency, to close any radio station or take it over for the use of the Government. Under the Merchant Marine Act of 1936 the Maritime Commission may requisition merchant vessels during any national emergency declared by the President. Under the section of the 1917 Trading With the Enemy Act, which was amended and incorporated in the Emergency Banking Act of March 9, 1923, the President has very wide powers over the Nation's fiscal and credit transactions 'during time of war or during any other period of national emergency declared by the President * * * *' The proposed Hill-Sheppard bill, which has not yet been enacted because of the widespread opposition to it from all over the country, would give the President virtually dictatorial powers over the Nation's industrial life in time of war."

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## FLY MAKES FIRST CALL AT WHITE HOUSE

Chairman James L. Fly, of the Federal Communications Commission, made his first official call on President Roosevelt Friday (today) since his appointment. The conference was first scheduled for yesterday (Thursday) and then postponed.

FCC officials said that the purpose of his call "is a secret".

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PAYNE RULING UPHELD; RULE TO BE REVIEWED

The Federal Communications Commission this week upheld unanimously the decision of Commissioner George Henry Payne in an interpretation of an FCC rule placing rigid limitations on interventions, but at the same time it disclosed that the rule itself will be re-examined.

The Payne decision was made last week in denying the Orlando Broadcasting Co., of Orlando, Fla.,the right to intervene in a case involving an application for a new station at Orlando. The petitioner operates WDBO.

The original action of Commissioner Payne, which did away with a procedure of long standing in the Commission, led to a number of petitions asking the FCC to over-rule the decision, after granting the petitioners oral arguments. The Commission, however, acted without giving the attorneys an opportunity to argue their petitions.

As a result, it is probable that attorneys for the petitioners will take the cases to the Court of Appeals.

An examination of the whole case by the full Commission disclosed that it apparently was a boomerang, thrown out by those practicing before the body, which had returned with a heavy blow, threatening, as it does, to cut down considerably the legal appearances before the Commission.

However, while ruling that Commissioner Payne had correctly interpreted the rule, it has been decided to re-examine the new rule with a Committee from the Federal Communications Bar Association. This group, it was said, not only had approved the rule in draft form when it was submitted to it for consideration prior to adoption, but actually had proposed the rule against which certain members of the Association now are complaining.

Seven other petitions to intervene in as many cases, it was said, also were overruled at the same time and the Commission's decision affected these same cases. The new regulation, it was explained, is a move to cut down on the number of stations which seek to oppose applicants for new stations as well as for increased facilities. The new rule merely requires that those who seek to intervene in such cases must set out in their petitions full statements of claims on which they base their applications.

The underlying purpose of the Commission in adopting its new regulation on intervention, it was asserted, was to correct the practice which had become prevalent under the prior rule of the Commission. Under this former rule the Commission permitted any person to intervene in a hearing if his petition disclosed a substantial interest in the subject matter.

This standard was held to have been so broad and the Commission's practice under it so loose that intervention in Commission hearings came to be almost a matter lying in the discretion of persons seeking to become parties to Commission proceedings.

Other applications affected adversely by the denial of the Orlando Broadcasting Company's petition, are as follows:

Station KMAC, San Antonio, Texas; Station KTSA, San Antonio, Texas; Station WOAI, San Antonio, Texas; Station WROL, Knoxville, Tenn.; Station WNOX, Knoxville, Tenn.; Station WFLA, Tampa, Fla., and Station WHDH, Boston, Mass.

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WITNESSES ANNOUNCED FOR LA GUARDIA HEARING

The Federal Communications Commission this week announced the list of appearances scheduled for the hearing Monday on a petition by Mayor LaGuardia, of New York City, to amend FCC rules so that municipal stations may rebroadcast short-wave programs.

Mayor LaGuardia will be represented by William C. Chandler, corporation counsel, and Herman J. McCarthy, Assistant District Attorney.

Others who will participate are:

National Committee on Education by Radio, by S. H. Evans, Secretary; Westinghouse Electric & Mfg. Co., by G. W. Law or Horace L. Lohnes, attorneys; National Association of Broadcasters, by A. W. Bennett, attorney; American Federation of Musicians, by S. T. Ansell, General Counsel; World-Wide Broadcasting Corporation, WRUL, by M. M. Jansky, attorney; National Broadcasting Company, Inc., by A. L. Ashby, P. J. Hennessey, Jr., H. Ladner and J. J. Hurley, attorneys; KUSD, Vermillion, South Dakota, by R. E. Rawlins, Jr.

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LOHR WRITING BOOK ON TELEVISION

Lenox R. Lohr, President of the National Broadcasting Company, is writing a book called "Television Broadcasting: Production, Economics, Technique", which McGraw-Hill announces for Spring publication. The book has been planned as a comprehensive discussion of the problems which television faces today, both in its relation to the public and in the coordination of the various units of a television broadcasting system as a public service. David Sarnoff, President of the Radio Corporation of America, has contributed a foreword.

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# TOWNSEND PLAN PERIOD HALTED BY NAB

Sponsored broadcasts on paid time in behalf of the Townsend Plan would constitute a discussion of a public controversial issue and therefore would be unacceptable under the terms of the new NAB Code, the Code Compliance Committee of the National Association of Broadcasters declared this week.

The Code bars the sale of time for discussions of public controversial issues, but provides that time shall be allotted for such purposes free of charge, and "with fairness to all elements in a given controversy".

The Committee's action was in response to an inquiry from a member station which had been approached by agents seeking to purchase radio facilities for the "Townsend Plan Broadcasts".

The agent sought to purchase radio time in 15-minute units, not earlier than 6:30 P.M., stating that the series of programs would start about October 15.

It was stated that various Senators, Congressmen, Dr. Francis E. Townsend and others would speak on the period. The agent declared that an endeavor would be made, through the sponsored radio programs, "to establish new clubs, solicit members and sell our book".

In making public its finding, the Committee pointed out that during political campaigns, adherents of the Townsend Plan may buy time "in behalf of or in opposition to qualified candidates for public office", as provided by the law, or may buy time "in behalf of or in opposition to a public proposal subject to ballot" as further provided by the new NAB Code.

Meanwhile, it was pointed out that representative spokesmen of groups will be given free time to present their viewpoints, in accord with the public interest, program balance and availability of time.

The Committee emphasized again that the Code does not deny the right of free speech to anyone. It simply denies the opportunity to buy time and to monopolize the limited radio time and facilities available, for one-sided discussions of a public question.

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Dr. Francis E. Townsend told the Associated Press yesterday (October 12) his old age pension plan organization would "build our own station in Mexico if we are kept off the air in the United States."

Dr. Townsend has been informed of action by the National Association of Broadcasters barring him from paid radio programs.

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## "WORLD WIDE LISTENER" PUBLISHED BY S-W STATION

The World Wide Broadcasting Foundation, of Boston, which produces programs for the educational short-wave station WRUL, formerly W1XAL, has started publishing a monthly magazine, "The World Wide Listener", for sale at 20 cents a copy.

The periodical carries the station's programs for the month and timely articles by members of the staff.

Walter S. Lemmon, President and founder, writes in a foreward of the October issue:

"With this issue of our program magazine we are endeavoring to preserve in printed form some of the outstanding thoughts broadcast over WRUL in recent months. Our Board of Trustees is grateful for the evidence of increased support of this new idea and to the many colleges and universities who are cooperating toward this purpose."

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## U. S. POWERLESS AS GERMANY BLOCKS FINN BROADCAST

Government officials were openly peeved but admittedly powerless this week when Germany flatly refused to rebroadcast to the United States an address by Finnish Foreign Minister Eljar Erkko, who wished to reach American listeners.

German radio authorities first agreed to transmit the broadcast by short-waves to the National Broadcasting Company in New York, and then suddenly announced a cancellation on the ground that German wartime regulations forbade the transmission.

NBC officials in New York said that the German short-wave station was the only one in that vicinity powerful enough to relay the foreign minister's speech from Helsingfors, Finland, to New York.

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## EIGHT LOCAL STATIONS GIVEN POWER BOOSTS

The following stations were granted increase in power to 250 watts unlimited time this week by the Federal Communications Commission:

KPAB, Laredo, Texas; KOCA, Kilgore, Tex.; WEDC, Chicago, Ill.; KWJB, Globe, Ariz.; KOOS, Marshfield, Ore.; WKBB, Dubuque, Ia.; WBRK, Pittsfield, Mass.; KWNO, Winona, Minn.

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TELEVISION FROM THEATER BALKED BY EQUITY

A scheduled television broadcast of part of Max Gordon's new musical show, "Very Warm for May", which the National Broadcasting Company hoped would be a forerunner of regular television previews of Broadway shows in rehearsal, was abandoned this week by Mr. Gordon's office because of Actors Equity's demand for the equivalent of a full week's salary for each performer participating in the single program, according to the New York Times.

While no formal comment was forthcoming from NBC, the Times said, that the company's department of television had intended to present a series of new Broadway shows in rehearsal in what would have been the first specific instance of sustained cooperation between the theatre and television. The shows would gain the benefit of the promotion, it was said, and NBC would gain good television programs. Relations between the two industries, which may possibly become competitors, have occupied the attention of executives in the show business.

The NBC indicated that it would hold its project in abeyance until the Broadway producers knew where they stood with the unions interested in television. Although Actors Equity has claimed the right to rule television and exercised it in this instance, the matter is at present a major issue before the Associated Actors and Artistes of America, A.F. of L. parent of actor unions.

A jurisdictional row over television started in May when regular programs were initiated in conjunction with the World's Fair. The Screen Actors Guild and the American Federation of Radio Artists, besides Equity, believed they should have a say in the new entertainment field, at least until it became known exactly what form television might take. As a compromise it was decided to name a committee to administer television, but no such body has been appointed as yet.

Some union officials were disturbed because Equity did not notify the A.A.A.A. of the difficulties with the office of Mr. Gordon, who besides being a Broadway producer is General Production Director of television for NBC, and argued that such a stand as Equity's could conceivably injure an industry not yet on its feet.

Robert Milford, General Manager for Mr. Gordon, estimated that if Equity's demand had been met, it would have cost several thousand dollars, as he intended to use twenty-five performers, including dancers and singers. He said NBC had been regularly using Equity members for its various television programs without paying any specified fee.

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## TRADE NOTES

Columbia Broadcasting System has leased the 15-year-old Ritz Theater, located at 219 West 48th Street, New York City, as a supplementary playhouse to accommodate many of its outstanding radio programs and their constantly increasing audiences. It is to be known as CBS Theater No. 4. The Federal Theater Project, "Pinocchio" was the last success housed in the Ritz.

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How American communications facilities will function if the United States faces a "national emergency" will be discussed by Major General J. O. Mauborgne, Chief Signal Officer of the U. S. Army, at 7:45 P M , EST, over the NBC-Red Network.

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As of August 1, 1939, the Federal Communications Commission has revised and renumbered all of its rules and regulations. Rules numbered 177 and 177.1 have now been renumbered rules 3.94(a) and 4.10. Rules 1010, 1011, and 1012(c) referred to in Issue No. 5 in the Commission's Notice of May 5, 1939, have become Rules 4.41, 4.42 and 4.43. The revised and renumbered rules include some changes in phraseology but the substance of these rules is unchanged.

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Station WISE, Asheville, N.C., will become affiliated with the National Broadcasting Company on Thursday, Oct. 19. NBC's 177th station, it is licensed to the Asheville Daily News to operate full-time on 1370 kc. with a power of 100 watts. Harold H. Thoms is owner.

WISE will be available as a bonus outlet at no additional charge to advertisers using Station WFBC, Greenville, S.C. Rate for WFBC, supplementary to the Red and Blue Networks, is $120 per evening hour.

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World Radio Markets series issued this week by the Department of Commerce dealt with the Windward Islands, the Leeward Islands, and the Cape Verde Islands.

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## TRADE NOTES

# WOMEN'S COMMITTEE HIT "HYSTERICAL" BROADCASTS

A movement to curb "hysterical and unsubstantiated" broadcasts of war news was launched at a luncheon conference of the Women's National Radio Committee at the St. Regis Hotel, New York City, this week. Prompted by many protests received by the committees, representing more than twenty national women's organizations throughout the country, resolutions were formulated to devise ways and means of safeguarding news broadcasts from spreading "hysteria" among listeners, especially by the smaller stations, according to the New York Times.

The Committee, in drawing up the resolutions, pointed out that the move was not intended as a blanket indictment of the broadcasting networks in handling war news, but rather as a yardstick that might guide the commentators and set certain criteria for broadcasts relating to war and international affairs. The Committee also plans a "model" news broadcast that will be offered for consideration to the broadcasting stations.

"Since radio has become one of the most powerful means of quickly molding public opinion, it is of vital importance that the news of the world be carefully edited and presented before it is heard over the air", Mme. Yolanda Mero-Irion, Chairman of the Committee said. "We appreciate the earnest efforts that have been made by the broadcasters to bring immediate and first-hand accounts of crucial events to the vast radio audience, but with the European war, new problems have arisen which are a matter of serious concern not only to the broadcasting industry, but to the public and a voluntary conference toward their solution is a necessary venture."

Raymond Moley, editor of News Week, scored the hastily-prepared broadcasts on matters of international importance that are disseminated over the air and advocated more careful editing and presentation of news broadcasts. He added that the radio audience did not desire to hear the opinions of reporters, but rather "straight" treatment of news.

"Even the better radio commentators editorialize to a point that is really indefensible", said Mr. Moley. "Nothing is reported in the newspapers that would terrorize a reader; that bridge has been crossed long ago in journalism; but when I turn on the radio, I hear things that are hot and moist and should not be put on the air. A network in selecting a commentator to express a viewpoint on one side or the other assumes a tremendous responsibility, but the only way out is for the networks to go through with the responsibility that they have assumed. They are not doing it.

"We got into the last war fast enough without radio and we will get into it much faster with radio, if the commentators continue their snap-judgment opinions. We are fooled every day by the news we hear on the air. The commentators and the broadcasters are not doing the job as well as the public expects it to be done."

Will Irwin, author of "Propaganda in the News", said that the trouble with the news broadcasts was that they offered no time for the announcer or commentator to sift fact from fancy and reports were frequently not only misleading but appalling.

"Things that you hear over the air that sound appalling do not sound nearly so appalling when read in print the next day, even though they may be substantially the same in content", he said. "For in radio we have to contend with the dramatic element in the human voice that has the power to terrorize, by appealing to the emotions. And the emotional quality in the voice is something that cannot easily be corrected. The war of the world that was fought in the Jersey marshes with men from Mars proves that radio has the power to stampede. Radio commentators should not be allowed to continue frightening us with snap-judgments."

Miss Josephine Schain, Chairman of the National Committee in the Cause and Cure of War, stated that her observations indicated that the problem was not as bad as it was painted and that she had not received as many complaints against radio as the motion pictures.

"Fundamentally the problem is the same all along the line and the pictures the yellow press give us are as harrowing as the situation that prevails on the air and in the pictures", she said. "The public likes sensational things and it is our problem, as I see it, to educate the public to take a broad-minded and an intelligent viewpoint and to take such things with a grain of salt."

Others who stressed the important factor the Committee might become in bringing about a more rational and less emotional handling of current news from abroad were Mrs. Marion Miller, member-at-large of the Committee, Miss Lena Madesin Phillips, President of the International Federation of Business and Professional Women, and Mrs. D. Leigh Colvin, State President of the Women's Christian Temperance Union.

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10/13/39

## ASCAP SENDS 16,000 REGRETS TO CONCERT LOVERS

The American Society of Authors, Composers, and Publishers this week mailed out 16,000 post-cards expressing regret that there were not enough seats in Carnegie Hall, New York City, to accommodate the persons requesting tickets for the twenty-fifth anniversary concerts last week, according to E. C. Mills, Chairman of the Administrative Committee.

On Friday night, last week, the demand for tickets was so great, Mr. Mills said, that an overflow performance was given at the Seventy-Second Regiment Armory with 10,000 in the hall and 5,000 on the outside listening to loudspeakers.

"The Twenty-fifth Anniversary Festival of American Music was a huge success", he said. "There has never been anything like it in the history of American music."

Souvenir programs mailed out by ASCAP contain a foreword by Gene Buck, President, portraits and sketches of famed American composers, and articles by John G. Paine and Mr. Mills.

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## CROSLEY IN HOSPITAL AFTER FALL FROM HORSE

Powel Crosley, Jr., President of the Cincinnati Baseball Club and the Crosley Manufacturing Company, was in a hospital this week with injuries suffered when he fell from a horse at his estate, near North Vernon, Ind.

Physicians said an X-Ray examination showed the projecting parts of three vertebrae broken and explained that Mr. Crosley must remain in a cast "at least six weeks, but the injury will not be permanent".

The accident occurred Sunday shortly after the Reds were defeated in the final World Series game.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF OCTOBER 17, 1939



No. 1166

October 17, 1939

NAB HAS WILDCAT BY TAIL AS CODE STIRS STATION ROW

With the Code ruling prohibiting sponsored broadcasts by the Rev. Charles E. Coughlin, crusading Detroit priest, the center of the storm, the National Association of Broadcasters this week was facing a serious row that threatened to lead to some resignations from the trade organization.

While a handful of stations agreed to drop the program as soon as the NAB Code Committee ruled that it is in conflict with the ban on commercial presentations of controversial broadcasts, the majority of the 44 stations in the Coughlin hook-up indicated they may defy the NAB.

Meanwhile, an unconfirmed report was circulated that the Legal Department of the Federal Communications Commission had come to the aid of the NAB by addressing a letter to Station WJR, Detroit, key station of the Coughlin hook-up, asking why the station was not complying with the NAB ruling.

The FCC has taken no official part in the row, however, and the reported letter to Station WJR was not immediately available to the press.

Somewhat in contrast and yet likewise disturbing to NAB officials is the case of Elliott Roosevelt, son of the President and a Texas broadcaster and commentator, who openly defied the NAB Code as he expressed his views last week on the neutrality issue.

The NAB dodged the Roosevelt challenge, however, by holding that he is subject to network rather than NAB jurisdiction. The matter consequently was turned over to the Mutual Broadcasting System, which carries the sponsored program featuring young Roosevelt, for action.

No showdown on the Coughlin edict is expected before the end of this month as the majority of station contracts for the program expire October 29th.

John Shepard, III, President of the Yankee and Colonial Networks, the latter of which carries the Coughlin broadcast on 17 stations, has intimated he will renew the contracts because of station commitments.

Meanwhile, FCC officials were chuckling over the plight of the organized broadcasters as they called attention to the eagerness with which the NAB set out to regulate the radio industry following the threat of more stringent Government control when the chain-monopoly inquiry began a year ago.

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RMA SUBMITS TELEVISION REPORT TO FCC AFTER MEETING

Bond Geddes, Executive Vice President of the Radio Manufacturers' Association, this week presented to the Federal Communications Commission a report on engineering aspects of television progress as prepared by the RMA Engineering Committee.

The action followed a meeting of the RMA Directors in New York City last week at which it was decided to make a renewed fight against the 5 percent manufacturers' excise tax on radio sets. A special attorney will be employed to represent the Association in hearings before the Treasury and Congressional Committees.

Mr. Geddes explained that the levy costs the radio industry $4,650,000 a year, and the RMA believes that radios should be classed as a necessity rather than a luxury.

A. S. Wells of the Wells-Gardner Company, President of the Association, announced the appointment of a new committee to consult with the Federal Communications Commission on matters of broad policy. The Committee comprises Commander E. F. McDonald,Jr., of the Zenith Radio Corporation; David Sarnoff, Radio Corporation of America, and James T. Buckley, Philadelphia Storage Battery Company.

The Directors voted to continue the joint promotion with the National Association of Broadcasters through the Christmas season. It was also recommended that manufacturers continue their promotion of sets equipped with short-wave bands for direct reception of foreign programs.

The Board also adopted a resolution proposed by Commander McDonald, Chairman of the Fair Trade Practice Committee, recommending that the trade practice rules promulgated by the Federal Trade Commission on July 22 be adopted subject to a "minor reservation". The reservation covered the proper classification of detector tubes in radio-set advertising. This will be taken up with the Commission.

The Board took further action aimed at evolving a plan to stabilize the radio tube situation and to clarify the confusion created by the large number of new types of tubes being put on the market. A special tube stabilization committee was appointed, comprising representatives of set and parts manufacturers and the Radio Engineering Departments.

Resolutions of regret were sent to Powel Crosley, Jr., President of the Crosley Corporation, who was injured in a fall from a horse last week, and to B. G. Erskine, Chairman of Hygrade Sylvania Corp., because of the death of a son.

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FLY GATHERING DATA FOR COMMUNICATIONS MERGER

With the aim of unifying American communications to improve national defense, James L. Fly, Chairman of the Federal Communications Commission, this week was engaged in gathering data and holding conferences on the long-advocated proposal to merge Western Union and the Postal Telegraph Company.

There were hints, however, that Chairman Fly's call at the White House last week and some of his other conferences have not dealt solely with communications problems but with a more important but mysterious matter.

The communications merger plan is scheduled to be examined at length by a sub-committee of the Senate Interstate Commerce Committee early next year. The Committee was organized last session and is headed by Chairman Wheeler.

There are so many angles to the problem that various Government departments and bureaus have data which will be required by the Senate Committee to complete its inquiry. Aid of the executive branch will be needed in the investigation, inasmuch as the Committee has only $5,000 with which to do the job. Chairman Fly has conferred with officials of some of the Government agencies involved, including officials from the Labor Department from whom data might be sought as to the possible effect of a merger on unemployment.

Another conference is scheduled at the office of Chairman Fly Wednesday, when it is expected that a definite program will be formulated, which will include the loan of personnel to the communication group to collect and coordinate the data for the Senate Committee.

Mr. Fly said no definite plan for a merger had been formulated by the Commission, but something may develop out of the conferences and the data which it is hoped will be available. The Justice Department has been studying the matter for a long time and just before the Senate authorized its investigation was working on a plan of bringing about a merger through the medium of a consent decree. However, it is understood this idea has been dropped for the time being in deference to the program of Senator Wheeler's Committee.

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World Radio Markets reports on China and Yugoslavia were released this week by the Electrical Division of the Department of Commerce.

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## RADIO QUERY INCLUDED IN HOUSING CENSUS

"Does this household have a radio set?" has been included in the tentative schedule proposed for the U. S Housing Census which will cover an estimated 33,000,000 homes. The housing survey will be conducted simultaneously with the population census, and enumeration is to start April 1, 1940.

Although Congress has authorized inclusion of housing in the general census program, along with a $45,000,000 appropriation for carrying on its various phases, an individual appropriation of $8,000,000 is sought for the Housing Census itself. An appropriation of approximately $5,000,000 is to be asked as a supplemental appropriation in the First Deficiency Appropriation bill brought before Congress when it convenes in regular session in January. This amount would cover the cost of field and office work necessary to gather census data, while the remainder would be spent in compilation of the results and would extend over a period to December 31, 1942.

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## BLACKOUTS BOOST BRITISH SALES OF BATTERY RADIO SETS

Ever since the European crisis drew to its climax, British radio and electrical dealers and manufacturers have had an unprecedented demand for battery and the smaller mains-driven receivers, and for ARP blue and low-watt lamps, torches, bulbs and batteries, to comply with the black-out regulations, according to a London report to the U. S. Commerce Department.

"All-dry portable radio receiving sets in particular have established themselves over-night, and there is no doubt that these sets have now come to stay", Wireless and Electrical Trade of London, states. "At present they are being turned out by manufacturers as fast as possible, and the demand exceeds the supply.

"It seems that the production of the necessary all-dry batteries is at present the limiting factor, but this production will no doubt catch up with requirements.

"Reports indicate that the call for ordinary battery receivers with accumulators is equally substantial and the future call for replacement batteries and for accumulator charging will be large.

"Dealers have found that the smaller and less expensive types of mains receivers are in equal demand. Most popular have been the better-known AC/DC compact models which sell around the £5 to £6 mark, but reports indicate that purchasers in very many instances have not hesitated to replace their old receivers with high-priced models."

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RADIO ADVERTISING STRICTLY POLICED, SAYS NAB

"Radio advertising copy is more strictly and thoroughly policed than that of any other medium. Moreover, radio, unlike any other medium, exerts voluntary regulation of advertisers' claims."

This was the National Association of Broadcasters' answer last week to recent attacks on radio advertising made before the Association of Food and Drug Officials, meeting at their forty-third annual conference in Hartford, Conn., the week of October 1. The Association heard "a recommendation that radio advertising of food and drug products be subjected to the same scrutiny by government officials as that of newspapers." Milton P. Duffy, Association President, told the meeting: "The extravagant advertising claims made by manufacturers and producers cannot be overlooked without serious thought. The detrimental effect of radio in broadcasting misleading information is in direct violation of the Food, Drug and Cosmetic Act." Dr. George R. Cowgill, Yale University School of Medicine, commented that "statements over the radio, it seems have thus far escaped regulation".

The NAB's reply, issued through its Bureau of Radio Advertising, terms these remarks "unfair and not based on the facts". A review of the facts reveals that networks furnish the Federal Trade Commission with scripts of all commercial programs, while exercising their own voluntary control of advertisers' claims in advance of broadcast. In addition, all stations supply a full week's scripts at quarterly intervals. The NAB also pointed out that its own weekly bulletins to stations carry a full report of Federal Trade Commission action, including complaints, "cease and desist" orders and stipulations.

The FTC review of radio advertising copy has been in effect since July, 1934. The annual report of the Commission for the fiscal year ending June 30, 1938, states: "In general, the Commission has received the helpful cooperation of nation-wide and regional networks, and transcription producers, in addition to that of some 617 active commercial radio stations, 252 newspaper publishers, and 408 magazine publishers, and has observed an interested desire on the part of such broadcasters and publishers to aid in the elimination of false, misleading, and deceptive advertising.

"During the fiscal year ended June 30, 1938, the Commission received 490,670 copies of commercial radio broadcast continuities, amounting to 1,069,944 pages of typewritten script. These comprised 677,074 pages of individual station script and 392,870 pages of network script."

The NAB has also put into effect its own Code of Program Standards. The commercial sections of the Code, designed as a self-regulatory move on the part of all NAB member stations

(comprising 92 percent of commercial broadcasters), sets definite standards for the character of acceptable advertising and also against extravagant advertising claims. The networks and many individual stations, the NAB pointed out, have had similar self-regulation for years.

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GILLINGHAM LOANED TO FCC FOR THREE MONTHS

The Federal Communications Commission announced on Saturday that George O. Gillingham, senior information service representative and chief of the Washington Information Office of the Tennessee Valley Authority, had been secured on a loan basis from that agency for a period of three months to occupy the position of Chief of the Office of Information of the Federal Communications Commission.

Mr. Gillingham was formerly associated with the Newark (N.J.) Star Eagle, Newark Sunday Call and covered North Jersey for three Philadelphia dailies, i.e., North American, Press and Evening Bulletin. He also did feature writing for the New York Sunday World and has had varied experience in magazine work, having contributed articles to Saturday Evening Post, Current History, Bookman, New Yorker, Esquire, etc. At one time Mr. Gillingham was Managing Editor of the Pathfinder magazine and at the same time edited a department in Golden Book.

Mr. Gillingham was in the military service from 1918 to 1920 and for a time commanded Company K of the 1st Gas Regiment. He is a member of the National Press Club and Past Commander of the National Press Club Post of the American Legion.

The Commission also announced that C. Alphonso Smith, who was borrowed from the Soil Conservation Service last December and who has been serving as Acting Director of Information since April 1, 1939, would remain to assist Mr. Gillingham until November 1, 1939, when his leave period expires.

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Hearing on the petition of Mayor F. H. LaGuardia of New York, in behalf of the municipally-owned WNYC to amend FCC rules to permit use of ultra-shortwaves for domestic network transmission, in lieu of wire lines, scheduled for Oct. 16, again has been postponed to Oct. 23. The hearing, postponed several times, is to be before a committee of three Commissioners.

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## NEW INVENTION RECORDS RADIO LISTENING HABITS

A device which automatically records listening habits of radio owners has been patented by Robert F. Elder and Louis E. Woodruff of Belmont, N. Y.

It records on a strip of paper the time and the stations listened to throughout the day. These records when collected and tabulated would give radio broadcasting stations accurate information as to what the radio audience likes best on the air.

The recording device comprises a separate unit which may be plugged into the radio. It includes a clock motor, stylus and paper tape. When the radio is turned on this automatically starts the device. Movement of the stylus is controlled by the tuning dial of the radio.

The patent is assigned to the A. C. Nielson Company of Chicago.

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## COLOMBIAN STATIONS HELD TO STRICT NEUTRALITY

Developments in Europe have led the Colombian Government to decree that all radio broadcasting stations must observe a strict neutrality in their programs and transmissions, according to the American Commercial Attache at Bogota. The use of any language other than Spanish in broadcasts is prohibited and all stations broadcasting news reports will exercise care to see that such reports are held within the bounds of strict impartiality with respect to the governments and peoples in conflict.

Amateur and experimental stations can only communicate in Spanish and transmissions must be restricted to experiences and observations of a personal character related to the science of radio-electricity.

The transmission of messages in private codes by cable, radio or telegraph is prohibited. The use of recognized commercial codes will be permitted but the name of the code used must be indicated on each message.

All clandestine radio stations will be closed by the authorities and the owners or operators of such stations will be subject to the penalties prescribed by law.

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## TWO GOVERNMENT ATTORNEYS JOIN FCC STAFF

Two new attorneys this week joined the Law Department of the Federal Communications Commission as aides to William J. Dempsey, General Counsel.

Robert M. Cooper, Special Assistant to the Attorney General and FCC liaison in the Department of Justice is principal attorney, while Benedict Peter Cottone, lawyer on the staff of Civil Aeronautics Authority is Senior Attorney.

Mr. Cooper, who is 31, has specialized in communications and broadcast matters, however, with such cases as the Western Union-Postal merger assigned to him. It is expected he will continue his departmental studies at the FCC and presumably specialize in litigation ear-marked for Supreme Court consideration. It is understood he will also participate in the handling of litigation in connection with pending petitions of the FCC to have the Supreme Court review decisions of the U. S. Court of Appeals for the District of Columbia involving fundamental jurisdictional issue.

Mr. Cottone worked under General Counsel Dempsey and Assistant General Counsel William C. Koplovitz while they were with the Federal Power Commission. He was on the special telephone staff of the FCC under Special Counsel Samuel V. Becker during its A. T. & T. investigation several years ago. Since his graduation from Yale Law School in 1934, he has been employed by Securities & Exchange Commission, Department of Justice, Power Commission and Civil Aeronautics Authority.

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## CUBA CLOSES FIVE STATIONS FOR WAVE JUMPING

The American Commercial Attache at Havana reports that the Radio Bureau has ordered the closing of five stations in Havana - CMCG, CMBH, CMC, CMCR and CMBG - because, it is claimed, these stations have persisted in operating at variable frequencies, and of increasing their power beyond the amounts assigned to them by Presidential Decree No. 1942. It is stated that several other station are likely to be closed for infraction of the regulations governing frequency assignments.

New regulations governing broadcasting station announcers also have been decreed. Among the principal provisions of the decree are that he must be a Cuban citizen of more than 16 years of age and not have a criminal record; they must be familiar with the provisions of law and the regulations concerning the responsibilities of radio announcers; have passed an examination covering Spanish, grammar, diction and vocalization, interpretation of text, vocabulary, etc.; be in possession of a certificate of aptitude granted by the Department of Communications. Exception is made of persons in the professions, in positions of standing in social, political, economic, industrial, cultural and scientific circles, when these individual are engaged in giving talks in their respective fields. Also exempted are members of the Government and officials of the Diplomatic and Consular corps in Cuba.

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## G.E. TO STAY WITH N.Y. FAIR IN 1940

With a record-breaking crowd of General Electric employees visiting the New York World's Fair for "General Electric Day" last week, Gerard Swope, President of the company, announced that G.E. would "go right along" with the Fair in 1940.

Nearly 30,000 G-E employees and their families visited the Fair, making both the largest industrial group to see the Fair from outside the metropolitan area and the biggest meeting ever held of General Electric workers. Coming from as far as Fort Wayne, Ind., and Erie, Pa., the delegation covered 5,000,000 miles, and about 5,000 of them stayed over for a second day at the Fair.

Governor Herbert H. Lehman and former Governor Alfred E. Smith, who were on hand for Albany Day, and Mayor Jasper McLevy of Bridgeport, Conn., joined Mr. Swope in welcoming the G-E employees at the New York State Amphitheatre, where they were the guests of the company for Billy Rose's Aquacade, for the biggest theatre party ever held anywhere.

In promising Mr Harvey D. Gibson, Chairman of the Board of the Fair, that G.E. would be back at the Fair next year with its Steinmetz Hall man-made lightning show and the "House of Magic", television and other exhibits, Mr. Swope said:

"We are very well pleased with our exhibit here. More people have visited our House of Magic in half the time than visited the same exhibit at the Chicago Fair."

Nearly 7,000,000 people, it is estimated, have visited the G-E exhibit, while about half that number, by actual count, have seen the demonstrations in the "House of Magic" and Steinmetz Hall. Mr. Swope said only minor changes were contemplated in the exhibit for 1940.

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## YANKEE NET PROPOSES TWO "STATIC-LESS" STATIONS

Two "static-less" or "frequency modulation" broadcasting stations to operate on the "regular" or commercial basis, one to cover the New York area and the other to serve New England, have been made the subject of applications to the Federal Communications Commission.

If the FCC approves, the transmitters will be built and operated by the Yankee Network of New England, headed by John Shepard 3d, on the interference-free principles developed and perfected by Major Edwin H. Armstrong, inventor and Professor of Electrical Engineering at Columbia University.

## G.E. TO STAY WITH N.Y. FAIR DAILEY SAYS

With a record-breaking crowd of [illegible] visiting the New York World's Fair this "Business Celebration Day" [illegible] Edward Dailey, General Electric President, [illegible] announced that [illegible] "go ahead" with the Fair in 1940.

Nearly 70,000 G.E. employees with their families [illegible] the fair, making both the largest industrial group [illegible] motor vehicles and the biggest [illegible] of General Electric workers, coming from [illegible] Schenectady, Ind., and Erie, Pa., the delegation [illegible] about 5,000 of them stayed on a train [illegible]

Governor Herbert H. Lehman [illegible]

Dailey was in [illegible] for [illegible] Lehman [illegible] employees at the New York [illegible] guests of the company [illegible] at theatre party ever held [illegible]

In presenting Mr. Harvey D. Gibson, [illegible] the Fair, that G.E. would be [illegible] Stockmen's Hall pavilion [illegible] "[illegible]", [illegible]

"We are very well pleased with [illegible] people have visited our [illegible] the week ending at the [illegible]."

Nearly 7,000,000 people [illegible] exhibit, [illegible] the demonstrations in the [illegible] Swift and other [illegible] 1940.

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## LAWRENCE PROCESS TWICE "CONSTITUTIONALLY" STAMPED

Two "[illegible]" [illegible] tions to [illegible] "[illegible]" [illegible] over the New York [illegible] on the [illegible] [illegible]

In [illegible] by the [illegible] [illegible] Lawrence [illegible] [illegible] Major [illegible] [illegible]

For the New York area the "staticless" transmitter will be a 50,000-watt outfit situated atop the New Jersey Palisades at Alpine; for New England it will be on the top of Mount Washington in New Hampshire, at a power of 5,000 watts. Major Armstrong now operates a 40,000-watt experimental sending unit at Alpine.

Because it has been demonstrated that "static-less" or interference-free broadcasts "long since have passed out of the mere experimental stage", the Yankee Network announcement said, stations supplying such programs should be authorized for operation "as regular broadcast stations" and no longer classed as experimental

Therefore the applicant asked the FCC to "amend or change" its existing rules and regulations" to permit its proposed broadcasters to be operated commercially and also to permit other such stations to be operated in the same way. It was requested that the applications be designated for public hearing by the FCC with this aim in view.

Experience over a number of years with experimental stations carrying regular staticless programs many hours daily, it was said, have demonstrated such broadcasting to be "peculiarly fitted to service the densely populated New York City area" for all who own or have access to the required new type of receivers.

Sending stations utilized for experimental operation have reached the "stage of near perfection", and tests have shown "conclusively that a much more superior service can be rendered" in such areas through "static-less" stations that can be achieved otherwise, the applications said. Also greater fidelity of program and reliability will result, it was said, and "no further experiments whatever are necessary to prove this."

Specifically, the applications asked for a regular broadcast construction permit or license for the transmitters, distinguished from an experimental type of license.

At the elevation of 6,300 feet above sea level, the Mount Washington station, with only 5,000 watts of power, is expected to provide "interference-free broadcasts for 1,000,000 people in Northern New England". Within the area are about 750,000 persons said to live "beyond the primary service area of any broadcasting station.

Elevation, tests have demonstrated, endows the station with great advantages over those more lowly situated. For instance, 5,000 watts atop Mount Washington would be as effective, it was said, as 50,000 watts at an elevation of 2,000 feet, or as powerful in effect as a 200,000-watt transmitter only 1,000 feet above the surrounding terrain.

However, the summit of Mount Washington, because of its severe climatic conditions, is expected to make the proposed 5,000-watt installation a more expensive and formidable job than a station of many times the power built at lower levels.

A 500-watt short-wave transmitter of the regular type, operated there for the last two years, has demonstrated that regular or "amplitude-modulation" broadcasting never can cover a sufficiently large area of Northern New England to warrant its consideration, even with the use of a power greater than is now deemed technically or economically possible, the application continued. The Armstrong system, on the other hand, is expected to cover an area within a 100-mile radius.

If authorized, the projects will be under the supervision of Major Armstrong, Professor G. W. Pickard of Boston, and Paul A. deMars, the Yankee Network's Technical Director.

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NEW RECORDING SYSTEM DEVELOPED BY RCA-NBC

A new method of recording and reproducing transcriptions, known as the RCA-NBC Orthacoustic Recording System, which combines the finest elements of the recording process was announced last week by the Electrical Transcription Service of the National Broadcasting Company. The new method was developed through the combined efforts of the engineering laboratories of the RCA Manufacturing Company and the NBC.

Called one of the most important developments since the introduction of electrical recording in 1925, the new RCA-NBC system incorporates new and higher standards of sound recording from the microphone to the turntable. While the principle difference in recordings of old and new types lies in the method of recording the sound on the record, the new system also provides for simple adjustments in the reproduction equipment to take advantage of the finer quality inherent in the new Orthacoustic records.

The RCA-NBC Orthacoustic Recording System owes much to RCA-NBC's pioneering in television - in fact, stems from television's developments in the transmission of sound in the ultra-high frequencies. While based on principles already known, the new system may be said to be a crystallization of all improvements made in recording in the past few years together with new developments in materials and recording technique.

Essentially the improvements of the new system lie in a pre-emphasis of the lower and higher frequencies during recording. The inverse characteristics introduced into the playback equipment through a compensation filter then cause background noise in the lower frequencies and scratching in the upper frequencies to drop out, and minimize distortion in the treble and bass.

The practical results of the successful completion of this engineering work include: (1) A new high fidelity quality in reproduction; (2) Elimination of distortion, particularly in high frequencies; (3) Elimination of surface or background noise; (4) Natural, true reproduction of speech; (5) Greater tone fidelity in reproduction of music.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF OCTOBER 20, 1939.




No. 1167

HOUSE MEMBERS RAP NAB RULING ON COUGHLIN

As member stations began withdrawing from the National Association of Broadcasters this week in protest against the Code ruling against controversial issues on sponsored programs (see Roosevelt story elsewhere in this issue), members of Congress hinted that they may take a hand in the row as they expressed disapproval of the NAB action.

Representative Cochran (D.), of Missouri, condemned the ruling as it affects the Rev. Charles E. Coughlin, Detroit radio priest, in a speech on the House floor, and other members arose to endorse his views.

FCC officials watched the developments with interest, and there were informal predictions that the controversy will lead to the introduction of legislation to set aside arbitrarily periods on all stations for discussion of public issues.

Cochran's views, which were not a defense of Father Coughlin except as to his rights to speak over the air on sponsored broadcasts, were endorsed by Representatives Crawford (R.), of Michigan, and Kunkel (R.), of Pennsylvania.

Characterizing the NAB ruling "a direct assault upon one of the most sacred provisions of our Constitution - freedom of speech", Representative Cochran said:

"The question as to whether we are in agreement with those who are able to purchase time on the radio to discuss controversial public issues is beside the point. I insist we are treading upon most dangerous ground when free and open discussion of any question, public or otherwise, is to be denied.

"At the moment this ruling undoubtedly will affect many outstanding citizens of this country sincere in their belief that the present neutrality law should not be touched, or, if amended, the embargo provisions should be retained. Among those who entertain this view is Father Coughlin, who, with all the vigor at his command, probably is the leader in the fight against repeal of the embargo.

"Regardless of whether or not this order was directed at Father Coughlin, it will affect his broadcasts in some localities, and his followers will always believe that back of the decision was a desire to take Father Coughlin off the air.

"Many times I have not agreed with the views of Father Coughlin. I do not agree with him on this issue, although many of my constituents do. I have not hesitated to write Father

Coughlin when I thought he was in error. True, there are many others, if the ruling is strictly adhered to, who will be affected, including many of our leading commentators who are heard daily over the radio. To deny Father Coughlin the use of the radio, especially at this time, means beyond doubt that the members of the National Association of Broadcasters will be required to discontinue the broadcasts of every citizen who desires to discuss controversial public issues, if the National Association of Broadcasters so decide.

"Now what is a controversial public issue? I would say every public issue is controversial, because those of us who have been in public life any length of time know there is a minority to practically every public issue, which makes it a controversial issue.

"Honestly enforced, would not this order deny the use of the radio to even the candidates for President in 1940? The issues involved in that campaign are certainly to be controversial, and they will beyond question be public issues. Likewise, the candidates for all public offices in 1940 - National, State and local - must be denied the use of the radio because the issues they advance will be controversial public issues.

"I commend those in control of broadcasting stations, be they members of the National Association or not, who have defied the ruling and notified the Association they will not abide by it. Among those who take exception to the ruling is Rev. Father W. A. Burk, S.J., faculty director of the radio station operated by the St. Louis University of my home city, St. Louis. . . . . .

"The decision of the National Association of Broadcasters brings back to my mind the action of the Federal Communications Commission in issuing regulations last May relating to the character of international broadcasts. Shortly thereafter I introduced a bill which, if enacted into law, would provide no rule or regulation hereafter issued by the Commission shall have the effect of limiting broadcasts to service which will reflect the culture of the United States or promote international goodwill, understanding, or cooperation.

"Why did I offer such a bill? It was because I felt then and I feel now it was in effect an attempt to curb freedom of expression.

"I am pleased to say that regulation or rule of the Commission was rescinded and a committee appointed to consider the question.

"When I introduced that bill Rev. Edward Lodge Curran, President of the International Catholic Truth Society, wrote ma a letter defending the Commission's action and desired that I debate the subject with him.

"At that time President Neville Miller, of the National Association of Broadcasters, the same organization that now seeks to impose its will on discontinuing paid contracts for discussing controversial public issues, condemned the Communications Commission for issuing the regulation. He was quoted in part as saying it

was an unsound policy, incompatible with the operation of broadcast stations by private enterprise in a democracy.

"I am reminded of the words of the late Mr. Justice Holmes in his dissenting opinion, Mr. Justice Brandeis concurring, in the case of United States against Schwimmer, a lady who was denied naturalization, when he said in part:

> "'Some of her answers might excite popular prejudice, but if there is any principle of the Constitution that more imperatively calls for attachment than any other it is the principle of free thought - not free thought for those who agree with us, but freedom for the thought we hate.'

"Mr. Speaker, I suggest to Mr. Miller and the Association which he represents that they take the same view now that they took when the Communications Division issued its regulation and describe their own order 'as an unsound policy, incompatible with the operation of broadcast stations by private enterprise in a democracy.'"

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ELLIOTT ROOSEVELT QUITS NAB; MILLER EXPLAINS

Elliott Roosevelt, son of the President, this week announced in Boston that ten Texas radio stations which he operates were resigning from the National Association of Broadcasters because of the imposition of a rule barring expressions of personal opinion on controversial issues on commercially sponsored programs.

At the same time, Neville Miller, President of NAB, issued a statement suggesting that Mr. Roosevelt may not understand the NAB Code thoroughly. He also released correspondence between NAB and the Mutual Broadcasting System concerning the Roosevelt neutrality comment which brought about the NAB censure.

Young Roosevelt termed the ruling a "curtailment of free speech and censorship in its worst form", making this statement at a press conference prior to a speech before the Boston Life Underwriters' Association.

The President's son also voiced disapproval of the Federal Communication Commission's stewardship of broadcasting stations, asserting the six-month licenses under which they operated made them "not a business, but a gamble".

Although expressing disapproval of Father Coughlin, the radio priest, because of a contention that he "fosters racial hatred", Mr. Roosevelt said he believed the priest "had a perfect right to speak".

e an unsound policy, incompatible with the operation of broad-
st stations by private enterprise in a democracy.

"I am reminded of the words of the late Mr. Justice
lmes in his dissenting opinion, Mr. Justice [illegible]
[illegible] United States against Schwimmer, a [illegible]
[illegible] naturalization, must be held in mind:

"'Some of her answers might excite popular prejudice,
but if there is any principle of the Constitution that more
imperatively calls for attachment than any other it is the
principle of free thought - not free thought for those who
agree with us, but freedom for the thought we hate.'

"Mr. Chairman, I suggest to Mr. Miller and the Associa-
[illegible] which he represents that they take the same view and that
[illegible] then urge the Communications Commission to end the regulation
[illegible] direction their own action [illegible] an unsound policy, incompatible
[illegible] the operation of broadcast stations by private enterprise in
[illegible] democracy.'"

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## ELLIOTT ROOSEVELT GIVES VIEW, MILLER EXPLAINS

Elliott Roosevelt, son of the President, this week
announced in [illegible] that the [illegible] radio stations which he heads
are withdrawing from the National Association of Broadcasters
[illegible] of the Association's [illegible] of [illegible]
opinion on controversial issues [illegible]

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[illegible] brought about the NAB reaction.

Young Roosevelt termed the ruling a "restriction of
[illegible] speech and censorship of the worst sort", [illegible]
[illegible] at a great [illegible] prior to [illegible] before the [illegible]
[illegible] Industry's association.

The President's son also voiced disapproval of the
[illegible] Communications Commission's [illegible]
[illegible]
[illegible] "as a [illegible]".

Although expressing disapproval of Father Coughlin, the
[illegible] priest, [illegible]
[illegible] Mr. Roosevelt [illegible]
[illegible]

On October 7, Mr. Roosevelt publicly stated that he would violate the NAB Code and would express personal opinions on public controversial matters on his commercially sponsored news commentator's program.

After making inquiry, Mr. Miller on October 13, sent the following letter to Theodore Streibert, Vice President of the Mutual Broadcasting System.

"Dear Mr. Streibert: In his sponsored broadcast over the Mutual Broadcasting System on October 7th, Elliott Roosevelt publicly announced that on his broadcast of that evening he would express a personal and editorial opinion about a public controversial issue and that he realized such expression of personal opinion by a news commentator on commercial time was in violation of the NAB Code. I am of the opinion that Elliott Roosevelt in his broadcast did violate the Code, and I am therefore bringing the matter to your immediate attention. I shall appreciate a reply at your earliest convenience. With kindest regards, I am sincerely yours, Neville Miller."

Thursday of this week Mr. Miller received the following reply from Mr. Streibert:

"Dear Mr. Miller: With reference to your letter of October 13th, we held a discussion with Elliott Roosevelt yesterday and reached an agreement which was wholly satisfactory. He will eliminate from all his commercially sponsored broadcasts any expression of personal editorial opinion about public controversial issues. Sincerely yours, T. W. Streibert."

Mr. Miller expressed regret that Mr. Roosevelt has seen fit to disregard the Code voluntarily set up by his fellow broadcasters and resign from the Association.

"His statement charging censorship indicates that perhaps he is not fully conversant with the Code and the vital problems of public policy underlying it", he said. "There can be no charge of censorship or of the curtailment of free speech when all spokesmen are given an equal footing at the radio rostrum, free of charge.

"This provision of the Code not only insures the widest possible use of radio for public discussions, but it insures as well an impartial and fair opportunity to all spokesmen and groups to use its limited facilities and to be subject to debate and challenge should such develop. This is the democratic way of doing things.

"It is significant to observe that those who are objecting to the Code and who want to continue to buy time for discussions of public controversies, have refused to accept free time offered on programs where another viewpoint may be fully presented.

"Rather than barring them from the air, as has been charged, the Code recognizes their right to speak, but provides that those holding other views shall not be deprived of the right to present those views under similar conditions.

"The point raised in Mr. Roosevelt's October 7 broadcast, however, involves the propriety of injecting personal opinions on a news commentator's broadcast.

"The press of this country has always recognized the necessity of preserving the integrity of its news columns. Personal opinions are reserved for the editorial page. The integrity of radio news is of parallel importance.

"If Mr. Roosevelt wishes to express personal opinions about public controversial matters on the air, there is nothing to prevent him from doing so on the time freely given for the purpose. But, under this Code, no personal opinions can be presented under the guise of news on any news broadcasts, whether sponsored or unsponsored.

"The NAB Code is based upon principles, not personalities. The provisions of the Code shall continue to be administered fairly and impersonally."

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U.S. OFFICIALS SEE TELEVISION TEST FOUR MILES UP

Government officials and newspaper men witnessed a demonstration of television transmission from New York City to an air liner 21,600 feet above the National Capital this week. The television images, which were on the whole clear, were carried 200 miles and received on a standard RCA television receiver.

The demonstration, which marked the twentieth anniversary of Radio Corporation of America, was staged first for the benefit of New York newspaper men and then repeated for Washington reporters, army officers, and officials of the Federal Communications Commission, and the Civil Aeronautics Authority.

Arranged jointly by the Radio Corporation of America and United Air Lines, the flight over Washington represented the first attempt to extend the range of the intractable radio waves upon which television must depend under allocations of the Federal Communications Commission.

Because television waves obey exactly the same rules as light waves, traveling only in straight lines subject to being blocked off by mountains, the curvature of the earth's surface, or even intervening buildings, they have up to now been limited to a range of less than 50 miles, even when broadcast from an antenna high above the highest New York skyscrapers.

"Rather than barring them from the air, as has been charged, the Code recognizes their right to speak; but provides that those holding other views shall not be deprived of their right to present them under similar conditions.

"The point raised in Mr. Roosevelt's October 7 statement, moreover, involves the propriety of including personal opinions in a news commentator's broadcast.

"The press of this country has always recognized the necessity of safeguarding the integrity of its news columns; personal opinions are reserved for the editorial page. The integrity of radio news is of comparable importance.

"If Mr. Roosevelt wishes to express personal opinions about public controversial matters on the air, there is nothing to prevent him from doing so on the time freely given him for that purpose. But, under this Code, no personal opinions may be expressed about the pros or cons on any news broadcast, whether sponsored or sustaining.

"The NAB Code is based upon principles, not personalities. The provisions of the Code shall continue to be administered fairly and impartially."

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## U.S. OFFICIALS SEE TELEVISION TEST FROM PLANE

Government officials and newspaper men witnessed a demonstration of television transmission from New York to an air liner 21,000 feet above the National Capital this week. The television images, which were on the whole clear, were sent 200 miles and received on a standard RCA television receiver.

The demonstration, which marked the twentieth anniversary of Radio Corporation of America, was staged first for the benefit of New York newspaper men and then repeated for Washington reporters, army officials, and officials of the Federal Communications Commission, and the Civil Aeronautics Authority.

Sponsored jointly by the Radio Corporation of America and United Air Lines, the flight over Washington represented the first attempt to utilize the range of the ultra-short radio waves upon which television must depend under allocation of the Federal Communications Commission.

Because television waves obey exactly the same rules as light waves, television travels only in straight lines subject to being blocked by mountains, the curvature of the earth, buildings and other interfering conditions, that have so far been limited to a range of less than 50 miles, even when broadcast from tall buildings which reduce the effect of these obstructions.

To prove that the range of the television wave-length is far greater than the 50-mile limits within which receiving of the New York broadcasts so far has been confined, RCA engineers arranged the novel scientific demonstration over Washington.

Flying over the Nation's Capital at an altitude of 21,600 feet, engineers of RCA and the National Broadcasting Co. tuned in Station W2XBS in New York. At the appointed time the image of Herluf Provensen, NBC announcer, appeared on the screen. Those of David Sarnoff, President of the Radio Corporation of America, and W. A. Patterson, President of United Air Lines, appeared shortly thereafter.

By means of two-way radio communication, members of the party making the flight were able to talk with Mr. Sarnoff and Mr. Patterson in the studio at Radio City. In response to a request from a photographer in the plane, Mr. Sarnoff held a post for a picture off the Iconoscope screen of the receiver.

The images, as seen in the plane, were comparable to those received in the primary service area of the NBC station, which reaches out fifty miles in all directions from midtown Manhattan. Frequently, however, they suffered from interference of other electrical equipment in the plane, including the radio transmitter and ignition apparatus for the ship's two motors.

Ralph Holmes, RCA engineer, and W.A.R. Brown, NBC engineer, explained that the intensity of the signal at 200 miles distance from the transmitter was low, and that interference, however slight, had serious results in impairing image quality. On the return trip, approaching New York City, where the signal became strong, motion picture transmissions and the landing of the plane itself at North Beach Airport were in sharp focus.

The experiment, employing the transmission equipment of the National Broadcasting Company, bore out the theory that the ultra-short waves used in television travel in comparatively straight lines. In order to receive the telecast over Washington, D. C., the United plane was forced to rise above the 16,000-foot altitude level.

Television engineers had previously established that the ultra-short wave's utility was over an area roughly limited by the visual horizon.

The receiver was a standard model now being sold in New York. The only change made in it was a slight adjustment in the automatic volume control to compensate against the whirling propellors. These, according to engineers, acted as reflectors, causing extremely rapid variations in the intensity of the received signal. The antenna used was a simple dipole type, consisting of two wires strung under the fuselage of the ship. The connection to the receiver was made through the fuselage.

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GANNETT OPENS FIGHT ON PRESIDENT'S RADIO POWERS

Frank Gannett, New York state publisher, as Chairman of the National Committee to Uphold Constitutional Government this week launched a crusade against the presidential powers over radio in time of war or national emergency as set forth in Section 606(c) of the Communications Act.

In letters addressed to broadcasting stations, newspapers, and members of Congress, Mr. Gannett urged that something be done to counteract what he termed dictatorial powers of the Chief Executive.

Addressing radio station owners, he said:

"The time has come when radio must deal with an issue vital to its existence. It must fight for its right of free speech, for wherever that right has been surrendered, all liberty sooner or later has been lost. As newspaper publisher as well as owner of several radio stations, I ask you to look today's facts in the face and put the enclosed information to the best use you can devise.

"Whether the President does or does not exercise his present authority to censor your broadcasts -- yes, even to close or take over your station, which he has the power to do -- the menace of steadily increasing government control threatens all of us. The loss of freedom will stifle progress in radio, in everything.

"Newspapers went through this same experience. Governments at first insisted on licensing use of the printing press. In England, John Wilkes, in America, Peter Zenger went to prison before freedom of the press was established with constitutional guarantees. Radio likewise will have to fight for its freedom, but freedom is worth any price.

"First of all, we must break down with the public the idea that radio is a creation of government and naturally subject to government control. Thousands of investors, backing the dreams of countless inventors, have made radio possible. Compared with the contributions of private enterprise, government's part in establishing radio has been insignificant. Government's function is to allocate wave bands, police their use, not dictate who shall use them -- much as a traffic officer polices the highway, prevents collisions, not dictating who shall or shall not own a car.

"Broadcasting stations and the radio industry, as well as all radio listeners, have a tremendous stake in the issues raised by the National Committee to uphold Constitutional Government. Included in this material is a summary of the extraordinary powers in the hands of the President; also a copy of my letters to editors.

"A thorough discussion of these facts, followed by legislative action to assure guarantees of freedom of speech over the radio, should be of greater immediate interest to radio listeners than to newspaper readers. You are, therefore, free to make such use of this material as you see fit, on and after the release date.

"It will interest me to know what use you make of this material, either by direct quotation or as basis for radio comment. Your viewpoints on these questions and suggestions for furthering this Committee's campaign for freedom of radio will be most helpful."

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DAVID LAWRENCE RAPS NAB CODE PROHIBITION

Using a full page editorial in The United States News this week, David Lawrence, editor and Washington columnist, assailed the NAB Code rule against controversial sponsored broadcasts on the ground that it was an infringement of the right of free speech.

"Aside from the doubtful legality of the procedure", he said, "it is apparent that the owners of radio broadcasting stations who comprise the NAB have gone from the frying pan into the fire by their refusal to permit the sale of time on the air for the discussion of 'controversial' issues."

Comparing the radio to the press, Mr. Lawrence continued:

"The radio business is a form of publishing. It can be operated like any newspaper company. It is fallacious to say that any interest or organization would monopolize the air if permitted to buy time. The NAB cannot expect the public to believe that the individual stations are incapable of making a definite division between free time and commercial time, as do the newspapers, and allocating the paid space for different types of programs on a first come, first served basis.

"The radio station, like the newspaper in each single issue, can limit the amount it will accept from advertisers for a given evening and yet be above criticism. American newspapers frequently refuse to accept an excessive quantity of 'political' paid advertising and announce in advance how much they will accept. But in the main they are careful not to bar anybody who conforms to the laws of libel and they do not discriminate between users."

Asserting that even Congress cannot abridge the Bill of Rights, the editorial added:

"What Congress cannot do, no trade association can do. No group of individuals can lawfully set itself up to deprive any citizen of his civil liberties. Trade associations may render 'advice' and may 'recommend' general principles and codes of ethics but this is a far cry from establishing rules interfering with the right of lease or purchase by a law-abiding citizen of the facilities offered to the public by the members of such a trade association engaged in profit-making businesses.

"If there be the power in the NAB to exclude from its facilities certain purchasers, it could conceivably on any pretext of convenience or necessity exclude others and we would thus have a new law-making body engaged in restraints of trade and a monopoly in the sense in which Sherman anti-trust law decisions have applied the term. . . . . .

"The National Association of Broadcasters fears government regulation of programs, government censorship and socialization of radio properties. Its fears may be well grounded. But men of courage in American history have never accepted temporary security as the price of surrender of a principle whose abandonment could eventually come to mean the impairment of any of the precious civil liberties in our democracy."

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## MC GRADY OPENS OFFICE IN RCA WASHINGTON DIVISION

Edward R. McGrady, who was the Assistant Secretary of Labor under the New Deal, is back on his old stamping grounds in Washington. The trouble shooter of the department, who won a reputation as a conciliator of industrial disputes, resigned as Secretary Perkins' chief aide in 1937 to take charge of labor relations for the Radio Corporation of America. He has now been designed as "Washington co-ordinator" of that organization as part of his vice-presidential duties. He is station in RCA's Capital headquarters adjacent to Stations WRC and WMAL.

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## MILLER TO EXPLAIN CODE OVER CBS

Neville Miller, President of the National Association of Broadcasters, will discuss the new NAB Code which recently went into effect in an address over the Columbia Broadcasting System, Sunday, October 22, 1:35 to 2:00 P.M.

His remarks will largely center around the provision of the Code which bars the sale of time for the discussion of controversial public issues, and which retuires that radio stations furnish adequate facilities for such discussions, free of charge.

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"LIMITED ADVERTISING" FOR TELEVISION STUDIED

Concerned over the possibility that television may die a-borning in this country, the Federal Communications Commission is considering letting down the bars to some degree against commercial sponsorship of visual broadcast programs and means of encouraging construction of television transmission stations.

Radio manufacturing companies which sponsored the debut of television as a medium of public entertainment early last Spring have let it be known that unless the FCC came to the rescue that they will abandon the experiment as too costly.

Sales of television receivers have been disappointing, the FCC has been informed, even in New York City, where the National Broadcasting Company presents a daily program of visual broadcasting from a station atop the Empire State Building.

The scarcity of television stations and the high cost of visual receivers are believed by FCC officials to be largely responsible for the lack of public response. By liberalizing the station licensing policy and sanctioning a limited amount of advertising, some FCC officials believe that the infant industry may be given new life.

To date television broadcasting has been restricted for the most part to New York City, although other cities are getting irregular tastes of it. However, a dozen applications for new stations in scattered parts of the country are pending before the FCC.

Most of the technical obstacles to television advancement have now been removed, in the opinion of leading radio engineers, who this week submitted a comprehensive report on the subject to the FCC through the Radio Manufacturers' Association.

A special committee of the FCC, headed by Commissioner T.A.M. Craven, is studying the problem of giving the new industry a boost while at the same time protecting the public against uneconomical investments in receivers that may become outmoded quickly.

Despite the fact that there are probably fewer than 1,000 television receivers in New York and only a handful elsewhere in the country, a few big advertisers are said to be willing to sponsor visual programs in the hope that the audience will expand rapidly. The chief reason that the pioneers in the television field are unwilling to continue to finance the experiment without assurance of some return, FCC officials understood, is that the staging of a visual program is far more elaborate and consequently more costly than a radio broadcast. It is somewhat like staging a theatrical performance for one night only.

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## TRADE NOTES

Dr. Alonzo G. Grace, Commissioner of Education for Connecticut, has accepted membership on the board of consultants of the "American School of the Air", the Columbia Broadcasting System announced this week.

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The City of New York took title this week to the radio broadcasting towers of Station WMCA on the causeway between Flushing and College Point, Queens, and will alter them immediately, to remove the last high aerial obstacle to the runways of the New York municipal Airport at North Beach.

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The Poughkeepsie Broadcasting Corp., Poughkeepsie, N.Y., this week was granted a construction permit by the Federal Communications Commission for a new station to operate on 1420 kc. with 250 watts power, unlimited time.

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Louis Ruppel, Director of CBS Publicity, and Paul W. White, Director of the Public Affairs Department, announced additions to their staffs last week. John Denson, Pat Dolan, and Ted Weber are the new members of the publicity staff, while Robert S. Wood has joined the news division of the Public Affairs Department in an editorial capacity.

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The National Labor Relations Board has disclosed that Westinghouse Electric & Manufacturing Co. has agreed to recognize a C.I.O. union as representative of the 21,500 employees in nine Westinghouse plants. The agreement, praised by Board Chairman J. W. Madden as a time and money saver, was entered into by the company, the Union and the Board on September 9. The settlement was reached on the first day of a Board hearing on C.I.O. charges that Westinghouse had engaged in unfair labor practices. Chairman Madden called it "an instance of clean-cut litigation."

The complaint was filed by CIO's United Electrical Radio and Machine Workers' Union.

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The National Broadcasting Company, through Max Gordon, general production director for television, and Thomas Hutchinson, television program manager, have appealed to the Actors Equity Association Council for sympathy and understanding in the development of television. Equity recently balked a proposed series of television programs by demanding the equivalent of a full week's salary for each performer participating in a single television program. The Equity Council agreed to consider next Tuesday Mr Gordon's proposals regarding wages and working conditions for television performers.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF OCTOBER 24, 1939



No. 1168

October 24, 1939

FCC HOLDING HOT POLITICAL POTATO IN RACING PROBE

The Federal Communications Commission this week is scheduled to decide whether or not to lend aid to the efforts of Pennsylvania authorities to obtain data on the transmission of race track information by telephone wires in the Moe Annenberg case.

Much of the recent mysterious activities of Chairman James L. Fly, including a visit to the White House and trips to New York with William J. Dempsey, General Counsel, are understood to have had to do with the Pennsylvania matter.

Former Chairman Frank R. McNinch set a precedent a year ago when he lent FCC personnel to the Justice Department in a previous inquiry just prior to the November elections.

At least some members of the Federal Communications Commission are afraid that the FCC will get into deep political waters if it takes a hand in the present Pennsylvania inquiry.

Pennsylvania's formal request that the FCC aid in getting the necessary information on the use of wire facilities, particularly telephones, in the transmission of racing information for gambling purposes, is now before the Commission, and it is expected to get its second consideration at meeting today.

The Pennsylvania commission wants the FCC to search the records of the long lines department of the American Telephone & Telegraph Company and gather there any information available as to what lines and what equipment is used in transmitting this data into Pennsylvania, as well as its source.

The Law Department of the Commission has been studying the matter and has suggested to members of the Commission that while the information could be collected without any great expenditure of Federal funds, it questioned whether the Federal Government should be a party in aiding a State to enforce its criminal laws. The Law Department made no recommendation.

When the matter was laid before the Commission, several members sensed that the Federal body might be drawn strongly into the political scramble in Pennsylvania. This was impressed by the knowledge that the present Pennsylvania administration is doing everything possible to wipe out the Annenberg racing information service.

While the political angle does not appear on the records of the Federal body, nevertheless the question has been seriously raised in discussions by the Commission as to whether there is any crime involved in the interstate transmission of this type of information and whether a Federal agency can rightfully collect this information, not primarily for the regulation of the Federal Communications Act, but for the aiding of a State in enforcement of its criminal laws.

Aside from the possibility of becoming involved in the political difficulties in Pennsylvania, it was pointed out that compliance with the request from officials of the Keystone State might be the precedent which would serve as a wedge for requests from other States which want similar investigations.

The Communications Commission is the only agency which could get this data from the American Telephone & Telegraph Co., it was pointed out, as the State would have no authority to go outside the State and examine the records of the company.

When the matter was brought before the Commission the first time, doubt was raised as to the authority of the Commission to collect this data for one State agency. The request was sent back to the Law Department for further study.

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## COURT UPHOLDS FCC IN KWTN CASE

United States Court of Appeals for the District of Columbia last week handed down a decision in the case of KWTN of Watertown, South Dakota, against the Federal Communications Commission, in which the Court upheld the Commission.

In this case the FCC charged that the station had operated in violation of the Commission's rules governing the technical operation of broadcast stations and the Commission refused to renew the station's license.

The Court of Appeals in its decision in upholding the Commission's action stated that "the report, findings, and grounds of decision are amply substantiated by the evidence contained in a voluminous record. Appellant does not deny their correctness but does deny that they provide a proper basis for the Commission's decision." The Court's decision says further that "appellant places considerable stress, also, upon the need for broadcasting services in the area served by Station KWTN, and upon the fact that 'No question was raised upon the record with respect to the efficiency of the station's present transmitting equipment and antenna system or the suitability of its site.' These are no doubt important considerations, to be weighed by the Commission in making its determination. But other considerations are important also, including the willingness and ability of the licensee

to comply with the law and with the rules and regulations prescribed by the Commission; in order to guarantee so far as possible a wholesome policy in management and operation.

"We think the record in the present case fully justifies the Commission's action in refusing to renew the license."

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BOSTON LAWYER BECOMES AIDE TO FLY

Nathan H. David of Newton Highlands, Mass., this week assumed the duties of Assistant to Chairman James L. Fly, of the Federal Communications Commission.

Mr. David was born at Somerville, Mass., on August 1, 1913. He was graduated from Yale University in 1934 magna cum laude and stood fourth in his class when graduated from Harvard Law School three years later. He served two years on the Board of the Harvard Law Review, the second being spent as Case Editor.

Since 1937 Mr. David has been associated with the Boston law firm of Burns and Brandon, (John J. Burns was formerly General Counsel of the Securities and Exchange Commission). He assisted in the preparation of evidence and law in support of New England's position in the Southern Governors' Rate Case. He has also specialized in work involving the Securities Act, the Exchange Act, and Public Utilities Holding Company Act, the Fair Labor Standards Act, the Labor Relations Act, and motor vehicles regulations.

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NEWSPAPER STATION SUPPORTS NAB CODE

Station WBAP, of Fort Worth, Texas, did not join other stations Sunday in the regular broadcast of Governor O'Daniel's weekly address.

WBAP, the Star-Telegram's station, issued an explanation as follows:

"The usual talk of Governor O'Daniel was not heard over this station this morning because the Governor does not desire to submit advance script of his speech to the station. The regulations, imposed in the Code of the National Association of Broadcasters, of which this station is a member, require that all persons in the discussion of controversial issues be treated equally.

"The facilities of WBAP, so far as time is concerned, have been tendered to the Governor without cost to him. They remain open to him if he desires to use them on the same basis as others."

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SARNOFF SEES TELEVISION AS NEW EDUCATION AID

Speaking recently at a New York University ceremony at Albany, David Sarnoff, President of the Radio Corporation of America, discussed the various educational services of the National Broadcasting Company and predicted that television will provide a new educational aid.

Copies of the address were distributed this week by Frank E. Mullen, RCA Vice President in Charge of Publicity and Advertising.

"It would be difficult to overestimate its future significance, or its potential influence on education", Mr. Sarnoff said.

"In making television receiving sets available to the residents of this area, a number of competing radio manufacturers have followed the lead of the RCA, and several makes of receivers are now on the market. The only programs broadcast so far in the New York area have been those of the National Broadcasting Company. We hope that before long we may also experience the stimulus of competition in this wonderfully interesting field. NBC television programs are broadcast regularly four days a week, supplemented by additional pickups of special events on other days.

"For the presentation of music and of factual news bulletins, sound broadcasting can do a highly satisfactory job without any visual aid. Most other program subjects can be presented more effectively by sight and sound combined than by sound alone, and there are many subjects suitable for television which are entirely outside the scope of sound broadcasting.

"Seated before your television receiver you can see as well as hear your public speaker, comedian, or opera star. You can attend an exhibit of art while a qualified commentator discusses it. You can study bugs under a microscope, watch a parade or a football game, observe experiments in physics and chemistry, or witness public events - American history in the making.

"To sit before a receiving set in your living room and see as well as hear events which are taking place many miles away is a far cry from Marconi's early exploits. But the American people have lost their capacity for being surprised. The rapid pace of industrial science has taught us to expect miracles as an everyday occurrence. New products and services are no longer judged by their novelty but by their utility.

"The usefulness of broadcasting in education is now clearly established. It should grow with the years. In it, the ultimate aims of educators and broadcasters are identical. Both desire to see American standards of culture and intelligence raised to higher levels. Both recognize the power of broadcasting as a means to that end.

"These are days when American institutions are the subject of attack, both abroad and at home. The question is again being asked, as it was in Lincoln's time, 'whether this nation or any nation so conceived and so dedicated can long endure.' I believe it can.

"But the answer lies largely in the use we make of our freedom; in the ability of our citizens to think for themselves and to govern themselves; in the ability of our self-controlled industries to render a larger measure of public service than is rendered by the state-controlled industries of other lands.

"Young as it is, radio is proud of its share in helping to shape that answer. Education of the masses - as well as of the leaders - is one of the bulwarks of our democracy. Radio is a mass medium. It reaches both the rich and the poor. It reaches the leaders, and the led. It reaches the literate, and those who cannot read. It brings the treasures of education to all alike. In fact, the richest man in the world cannot buy for himself what the poorest man gets free by radio.

"In no other nation of the world - even where it is endowed by the treasuries of the state - has radio achieved so much in the cause of education and freedom as it has in the United States."

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## INCREASED RADIO SALES SEEN IN TAX COLLECTIONS

Substantially increased radio sales this year were indicated in the September report of the U. S. Bureau of Internal Revenue on collections of the 5 percent radio excise tax, according to Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association. At the end of September the increase was 22.7 percent above the same nine months' period of last year. Collections of the 5 percent radio excise tax in September were $590,350.31, higher by 70 percent over the September 1938 radio taxes of $345,431.00. Collections of excise taxes on mechanical refrigerators in September were $637,537.93, against $404,479.27 in September 1938.

For the nine months ending September this year, collections of the radio excise tax totaled $3,440,940.12, increased 22.7 percent above the excise taxes collected during the first nine months of 1938 amounting to $2,804,997.65.

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## NAB HEAD HITS ROOSEVELT RESIGNATION

Indirectly assailling the resignation of Elliott Roosevelt from the National Association of Broadcasters, Neville Miller, NAB President, on Sunday entered a vigorous defense of the new broadcasters' code, which outlaws the sale of radio time for "the discussion of controversial public issues".

Speaking from Washington over a Columbia network of 45 stations, Mr. Miller denied that the Code bars opinion from the air. It merely provides, he said, "that those holding other views shall not be deprived of the right to present their views under similar conditions."

Without mentioning Elliott Roosevelt's name, Mr. Miller hit at the expression of "personal opinions under the guise of news". He went on to say that "the job of the news broadcasters in a democracy ends with the presentation of the news as it happens.

"If one giving a news broadcast wishes to express on the air his personal opinion about a public controversial matter, he has an opportunity to do so on time freely allotted for the discussion of public controversial questions, but his opinion does not belong on a news broadcast."

Elliott Roosevelt in a broadcast on October 7 defied the NAB to stop him from expression his opinion on neutrality issues in his news comments. Friday, However, after action by the NAB, the Mutual Broadcasting System announced that he would conform to the Code in his network comments. At the same time the President's eldest son stated that he would resign from the NAB and take with him ten Texas station members.

The Code restrictions on news commentators also apply to others who may seek to purchase radio time to discuss controversial subjects.

Mr. Miller maintained that before the Code was adopted "there was a danger that, due to the mere possession of money, various groups might monopolize, dominate or control the discussion of public issues over the radio, precluding a fair opportunity for the opposition.

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## CHICAGO LABOR STATION GOES OFF THE AIR

The Federal Communications Commission this week made permanent its preliminary order refusing a renewal of license to the Chicago Federation of Labor's short-wave station, W9XAA, and denying permission to transfer the license to the Radio Service Corporation of Utah.

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EDUCATORS JOIN N.Y.C. IN PLEA TO ALTER FCC RULE

Prominent educators and the operator of an international short-wave educational radio station joined Mayor LaGuardia of New York City this week in urging the Federal Communications Commission to remove its prohibition against the rebroadcasting of short-wave programs by a long-wave outlet.

Mayor LaGuardia explained that New York City wants to pick up certain programs of Station WBUL, operated by the World Wide Broadcasting Foundation, for rebroadcasting on Station WNYC, the New York municipally-owned station. He was joined in his request by Walter S. Lemmon, President of the World Wide Broadcasting Foundation.

Among others who endorsed the change in rules to permit a wider distribution of educational broadcasts were:

Professor William Y. Elliott of Harvard; Frank Schooley, Executive Secretary of the National Association of Educational Broadcasters and Program Director of Station WILL of the University of Illinois, and S. Howard Evans, Executive Secretary of the National Committee on Education by Radio.

It was their contention, supported also as a technical proposition by Mr. Lemmon and by Moris Novik, Director of Station WNYC, that programs can be picked up and rebroadcast as proposed without affecting adversely the maximum efficiency in operation of Station WBUL, the protection of which is the object of the Commission's existing prohibitory ruling.

The rules of the Commission do not now permit regular stations to rebroadcast the programs of international broadcast stations located within the United States except where wire lines are not available to transmit the programs to regular broadcast stations.

Mayor LaGuardia's petition for amendment of the rule in favor of non-commercial stations is regarded as a test case by which will be determined whether relaxation is possible of the prohibition to permit the rebroadcasting of special programs from international stations by non-commercial stations, including those owned by and operated by municipalities and other government agencies, universities and other educational institutions and non-profit organizations.

It has been the belief and policy of the Commission, and was contended by Andrew D. Ring, the FCC's Assistant Chief Engineer, at the hearing, that indications point to the impossibility of making such rebroadcasts without detracting from the efficiency of operation of international stations.

Mr. Lemmon, however, argued that, with the development of the radio art and by the use of improved directional antenna in his own station, and capable of installation in other stations

at an approximate cost of $1,000, such rebroadcasts can, in fact, be made.

Both agreed that the test is whether or not programs as broadcast to foreign stations can be clearly heard when picked up by short-wave over radio sets in this country, and that no conclusive evidence on this point was at present available.

Mr. Ring conceded the possibility of such clear reception here and abroad and under certain conditions, but declared that an exhaustive survey would be essential to determine the facts.

Mr. Lemmon presented affirmative telegrams received from listeners in many parts of this country in response to a general request broadcast by his station for reports from all parts of the world on the clarity of reception of its programs.

He conceded that these returns from the United States were not conclusive, but argued that they were indicative.

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AIRING OF FEUD SCHEDULED IN BOSTON NEXT MONTH

A long smouldering feud between John Shepard, III, operator of the Yankee Network, and Lawrence Flynn, a former employee, is scheduled for an airing in Boston on November 8, when an Examiner of the Federal Communications Commission takes testimony on the application of Mr. Flynn for a permit to use WAAB's 1410 kc. wavelength.

The Shepard-Flynn row has been before the Commission for more than a year and in the Fall of 1938 caused a minor political explosion when a hearing was scheduled and later withdrawn on charges against the Yankee Network head.

Broadcasters are interested in the matter because of the question involved in the original controversy as to whether a station owner may conduct a crusade and express editorial opinions over his radio outlet. Since theShepard episode, however, the NAB Code has placed restrictions on the broadcasting.

Mr. Shepard also is at odds with the National Association of Broadcasters regarding enforcement of the Code provision which would stop the paid broadcasts of the Rev. Charles E. Coughlin after October 29th on the Colonial Network. Mr. Shepard was reported, however, to be considering a proposal to give Father Coughlin the time after the expiration of the present contract.

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## NEW DEVICE TO AID STUDY OF SHORT-WAVES

An invention announced this week by the Bell Telephone Laboratories is expected to aid the study of disturbances in short-wave radio transmission.

By enabling astronomers to study the activity of the solar corona - the flaming halo around the sun - the device will permit the forecasting of short-wave interference which originates in the sun.

The machine was invented by Dr. A. M. Skellett of the laboratories. It has been successfully tried out in the private observatory of Dr. G. W. Cook at Wynnewood, Pa.

The new system or machine, named the "coronaviser", uses the principles of television, which can discriminate between steady light and variations. In effect it "scans" a ring around the sun, discarding the light from the sun itself and throwing on a cathode ray reproducer only the image of the corona. This was impossible with ordinary apparatus because the main body of the sun is a million times brighter than its luminous envelope.

In the actual operation of the system in Dr. Cook's observatory it was discovered that almost perfect conditions of cleanliness of reflectors and lenses must prevail to get a true image. The slightest smudge or grain of dust on the glass plate supporting the scanning hole unit showed up on the reproducer.

Occasionally tiny specks of brilliant light would float across the screen, the sources of which were puzzling. They finally were traced to wind-blown seeds or specks of dust drifting across the path of the light reflected from the siderostat mirror into the eye of the scanning system.

The real worth of the coronaviser, the Bell Laboratories said, will not be definitely determined until it has been used under the clear skies encountered on mountain tops, where the principal observatories are situated, and where a telescope pointing directly at the sun can be used. At Wynnewood, only a horizontal mounting was feasible. This, the inventor said, caused considerably more glare than will be encountered in a vertical mounting.

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## LONDONERS REGRET TABU ON TELEVISION

"It has been pointed out to us that nobody said a word in the Radio Times about the passing of television", the Radio Times, of London, comments. "That is quite true, but so many things were passing, too, on that ominous week-end at the beginning of September, that television was at least not singled out for neglect. As a matter of fact we ourselves, as viewers, miss television as much as anybody could. It seems to us that it would have been the ideal entertainment for the black-outs - something to keep you happy that does not mean going out, that does not cause crowds to collect, and that you can enjoy in a darkened room."

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## TRADE NOTES

The Federal Trade Commission announces that hearings to take testimony were to be held in the case of the Automatic Radio Manufacturing Company, Inc., Boston, and others, on Monday, October 23rd, and Wednesday, October 25th, at Philadelphia and New York respectively. The case involves unauthorized use of well-known trade names.

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The possibilities of radio in advertising and why many opportunities for increasing sales have been slighted because of unfamiliarity with a still more or less unexplored technique are examined in "Radio as an Advertising Medium", by Warren B. Dygert, Assistant Professor of Marketing at New York University and Secretary and Account Executive of F. J. Low Advertising Agency. The volume is published by the McGraw-Hill Book Company, Inc., at $3.00

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Seasonal increases in radio factory employment, payrolls and working hours were detailed in the current employment report for July 1939 of the U. S. Bureau of Labor Statistics. Radio factory employment last July increased 8.1 percent over the preceding month and was 43.7 percent above radio employment in July 1938. The July index figure on radio employment was 117.3 compared with the June indes of 108.5. A supplementary government report stated that in the monthly turnover rate per 100 radio employees, there were layoofs last July of only 1.34 per 100 and 1.35 per 100 in August, while the ratio of new employees hired was 6.51 last July and 8.16 in August, compared with 5.36 in August 1938.

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"Americans All - Immigrants All", the U. S. Office of Education's series of dramatic radio programs devoted to promotion of racial and religious tolerance, has just received the Fourth Annual American Legion Auxiliary Radio Award. Citations on silver plaques were presented to Sterling Fisher of the Columbia Broadcasting System and to John W. Studebaker, U. S. Commissioner of Education, praising the series for its "endeavor to present a cross section of community life through several generations of America's immigrants". In announcing the award at the Chicago convention of the auxiliary, Mrs. William H. Corwith, Chairman of the National Radio Committee, said that "Americans All - Immigrants All" is "a program which best inculcates the characteristics of the American way of life and government."

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WENY Elmira's new radio station, will be affiliated with the Mutual Broadcasting System when the station is formally opened within a few weeks, it was announced this week by J. T. Calkins, of the Elmira Star-Gazette, Inc., owners of WENY, and by Fred Weber, General Manager of the Mutual Broadcasting System. The station will operate on 1200 kc., 250 watts power and unlimited time.

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## ::: PRESS NOTES :::

## BRITISH LURE NAZI LISTENERS BY PRISONER LIST

The British are trying out a new idea to get their propaganda over in Germany - tempting the Germans to tune in on a radio broadcast of news items favorable to the allies by sandwiching in the names of German prisoners of war, according to the Associated Press.

The broadcasts originate in the studios of the British Broadcasting Corporation. Twenty names are read daily. Ten names are repeated from yesterday's list, and ten new ones are added.

The program was beamed toward Germany from powerful short-wave transmitters in Daventry, England, it was stated. The actual reading of the names takes only about half a minute; the rest of the time is given over to the reading of the news items.

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## EDITOR SAYS ELLIOTT'S WRONG, NAB RIGHT

Following is an editorial which appeared in the Washington Post this week:

"The ban which the National Association of Broadcasters voluntarily imposed upon the sale of time for discussion of controversial issues has caused Elliott Roosevelt to withdraw from membership on the ground that the new rule constitutes 'censorship in its worst form', Representative Cochran of Missouri has also characterized the ruling as 'a direct assault upon one of the most sacred provisions of our Constitution - freedom of speech'.

"These views betray a profound misconception of the nature of the problem with which the NAB is trying to deal. The new ruling does not involve any curtailment of constitutionally guaranteed rights of free speech. Nor is there any element of censorship apparent in a resolution that simply defines the conditions under which controversial discussions may be broadcast. Indeed, it can be argued quite plausibly that greater freedom of discussion is encouraged by putting the man who cannot pay for radio time on the same footing as one with money.

"Radio transmission is clearly 'affected with a public interest'. Hence, it has been subjected to Federal regulation on an extensive scale. And regulation will unquestionably become more sweeping as the potentialities of the radio for influencing public opinion are better understood. Without restrictive rules and regulation bedlam would result. Moreover, for the sake of good taste and the preservation of public morals, a certain amount of censorship over programs is essential. There is no difference of opinion on that point; the only question arises as to where to draw the line in specific cases. . . . .

"There is certainly room for doubt as to the practicability and desirability of the new policy. But there is no warrant for assuming that a man's freedom of speech is invaded because he is unable to buy time on the air to broadcast his personal opinions to the world."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.


INDEX TO ISSUE OF OCTOBER 27, 1939




No. 1169


2 bills introduced - will see that we have copies RWS.

MORTGAGE STATION CONTROL HIT; LICENSE REVOKED

The Federal Communications Commission this week struck a blow at mortgage control of broadcasting stations as it revoked the license of a Maryland station and set for hearing the renewals of two other stations.

The license of Station WSAL, Salisbury, Md., was revoked by the FCC and hearings were scheduled on renewal of licenses of two other stations on the ground that they were controlled by a Washington radio engineer, Glenn D. Gillett, in violation of the Communications Act.

Mr. Gillett was said to have obtained control of the stations by purchasing mortgages on them. He failed, however, to have the stations transferred legally to him by FCC approval of the deals.

Simultaneous with the revocation of the WSAL license, Frank M. Stearns, its operator, filed an application to assign the permit to the Eastern Shore Broadcasting Co.

The two other stations said by the FCC to be controlled by Mr. Gillett through mortgage holdings are WBAK, Wilkes Barre, Penna., and WQDM, St. Albans, Vt. Both were granted temporary license renewals pending hearings.

Mr. Stearns was said by the FCC "to have made false and fraudulent statements" with regard to the station's financing, equipment and ownership.

The WSAL license revocation is effective November 13, unless the licensee applies for a hearing, in which case it will stand suspended until decision of the Commission following such hearing.

On January 13, 1938, Frank M. Stearns was licensed to operate station WSAL, daytime hours on 1200 kc., with 250 watts, the FCC stated.

"He is held to have made false and fraudulent statements and failed to make full disclosure to the Commission concerning the financing of station construction, equipment used, and ownership, management, and control, facts which would have warranted refusal to grant construction permit and station license had they been known to the Commission", it added. "It further appears that the rights granted under the terms of the license have, without the Commission's written consent, been transferred,

assigned or otherwise disposed of by the licensee, in violation of the Communications Act of 1934, as amended. There is evidence that Glenn D. Gillett, mortgagee, has been in actual control of the station.

"Gillett is also in apparent control of Stations WBAX and WQDM, in violation of Section 310(b) of the Act. License for WBAX, (1210 kc., 100 watts, unlimited time) is in the name of John H. Stenger, Jr. That for WQDM (1390 kc., 1 KW, day) is held by E. J. Regan and F. Arthur Bostwick."

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WMCA EXONERATED; MILDLY REPROVED BY FCC

Station WMCA, New York, was exonerated of any serious illegal action in broadcasting military information of British and German authorities at the outbreak of the European war in an order issued this week by the Federal Communications Commission.

The order, while removing the threat of license revocation, contained a mild reproff of the station management and stated that the case would be considered in any future examination of the licensee.

The decision was unanimous despite the fact that shortly after the public hearing on September 27 several members of the Commission were reliably reported to be insistent that WMCA's license be revoked.

After reciting the circumstances of the broadcast and the advertisements of "scoops" in trade journals, the FCC said in its order:

"That the broadcasting of the substance of the messages described runs counter to the provisions of Sec. 605 of the Communications Act admits of little doubt. The evidence in this case shows conclusively that the messages in question were important orders of the governments of Germany and Great Britain, respectively; that they were to govern important ship movements in anticipation of, and perhaps during war; that they were addressed communications, albeit to multiple addressees; that they were intercepted without the authority of the senders; and that WMCA knowing that the messages had been obtained by means of interception, broadcast the substance thereof from its station. This conduct of the station must be viewed in the light of the great international stress then prevailing and of the special duty of American broadcasters, who are licensed for the purpose of serving the public interest, to conduct their operations with a corresponding degree of care.

"While, as has already been pointed out, the specific statutory prohibition now before us applies generally, a violation of it by a holder of a radio broadcast license must command

our special attention. Especially is this true since there threads throughout the statute both generally and specifically the notion that broadcasters perforce of law undertake to serve the public interest. The legal concept of public interest is not different in time of crisis although its factual content may vary from time to time as the public necessarily and properly shifts the emphasis of its concern from one predominant fact to another.

"Apart from the broadcasts of the station and the inadequate response to the Commission's order to show cause, the irresponsible actions of the licensee in connection with the full-page advertisement quoted above warrant comment. Regardless of the legality of such advertising as a trade practice it raises a question as to the character and responsibility of the management in the light of its obligation to operate the station in the public interest. More than honesty is at stake. The advertisement creates the possibility that competing broadcast stations will be drawn toward the same line of illegal broadcast activity boasted by this station. The President of the licensee corporation, Donald Flamm, admitted that the statements the station quoted from the George Ross column were false and that although he examined the "layout" of the advertisement, neither he nor anyone else in his organization made any investigation or gave consideration to the question as to truth of the representations. When asked what disciplinary action had been taken in this connection Flamm replied merely that he had given directions that all future advertisements were to be submitted to the attorney for the station. . . . . .

"On behalf of the licensee it is recognized that the broadcasts in question occurred during a period of unusual activity in the gathering and dissemination of news of special interest to the public. Speed in transmitting through the air news flashes bearing on the European crisis was assumed to be of the essence of this and other stations' service. The same international stress which made the conduct grave created the urge to scoop the other stations. As was recognized broadly new and important problems in connection with radio broadcasting arose from the war crisis. Under these circumstances the Commission will assume that these particular broadcasts were provoked by the occasion and are not necessarily indicative of more widespread infractions in the course of this station's broadcast activities.

"After consideration of the record and all the attendant circumstances in this matter, the Commission is of the opinion that an order of revocation need not be entered at this time. On the whole, however, grave doubt has been cast upon the licensee's qualifications to operate its station in a manner consistent with the public interest. Accordingly the record made in the different phases of this proceeding must be of cumulative weight in determining the disposition to be made upon any future examination into the conduct of this station."

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## RADIO COMMITTEE NAMES PUBLICITY DIRECTOR

John W. Studebaker, United States Commissioner of Education and Chairman of the Federal Radio Educational Committee, has announced the appointment of J. Kenneth Jones as Director of Information of the Committee.

Mr. Jones comes to the Committee after serving briefly as Publicity Director of the Community Fund of Chicago. Prior to that he was on the continuity and production staff of Station WHAS, Columbia outlet in Louisville, Kentucky, and before his radio service he was Executive Secretary of the National Committee on Public Education for Crime Control, in New York City.

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## CAPITAL GETS HIGH FREQUENCY STATION

The Federal Communications Commission this week authorized granting of a construction permit to McNary & Chambers, Washington, radio engineering firm, for erection in Bethesda, Md., of a radio broadcasting station of the high frequency modulation type, heralded by radio engineers as the coming instrument of high fidelity transmission and receiving.

The station will operate on a frequency of 42,600 kilocycles with 100 watts power. This is in the ultra-high frequency band. Present home receivers are limited to 1,600 kilocycles.

A report filed with the Commission disclosed the operators plan to study the nature of the service delivered, using frequency modulation receivers installed in homes and buildings throughout Washington and adjacent areas.

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## WAR STRESSES VALUE OF EDUCATIONAL BROADCASTS

Recent evacuation of British cities in the face of European war dangers has emphasized the importance of radio in the English educational system, the National Committee on Education by Radio points out. When the children were moved ou into the country, they left behind them their libraries, museums, picture galleries, and motion picture facilities. The most readily available means of filling this gap is the radio. The city teacher who had some skepticism about the value of radio is now coming to understand why the rural schools, cut off from educational facilities available in cities, have been benefitted particularly by the broadcasts of the BBC.

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RADIO CARRIES ON IN CHINA WAR ZONE

Shanghai, though in the occupied Japanese area, is still the center of broadcasting in China, some 40 stations operating within the foreign concession area, according to a Consular report to the U. S. Commerce Department.

"Many shifts in the ownership of Chinese stations have occurred during the past two years", the report states, "while an increasing number of Japanese stations have been opened. The Chinese Government 35,000-watt short wave stations at Chungking, which came into operation during 1938, have since February 1939 been broadcasting to important countries of the world. Foreign owned stations in Shanghai operate from 6 a.m. to as late as 1 a.m., while Chinese operated stations continue their programs well into the night.

"Programs of Chinese stations consist largely of Chinese musical pieces, drama, dialog, monologs, news comments, religious services, health talks, safety talks, and similar subjects. Some stations feature lessons in English, French and German, while others broadcast several hours of western music. Foreign dance music has become popular among Chinese listeners, and several Chinese stations are now featuring such programs.

"Foreign owned stations in Shanghai broadcast 95 percent musical programs, consisting mainly of recordings. Musical selections include classical numbers, dance music, and orchestra selections. Shanghai, being a very cosmopolitan city, is well provided with musical programs appealing to the several nationalities. Recorded humorous dialog is used extensively in sponsored programs.

"Programs of stations in interior cities under Japanese control are mainly of Chinese appeal, including music, drama, speeches, news, and propaganda.

"At Shanghai most Chinese stations carry advertisements or sponsored programs. Rates are highly competitive. The principal foreign-owned stations, XMHA, XMHC, XQHB, and XHMO all carry advertising. There is no fixed scale of rates and confidential discounts are common. Rates on the Chinese stations are very irregular. Some of the stations in Japanese occupied areas operate commercial; others are maintained by the Japanese authorities."

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The Federal Communications Commission entered its final order denying the application of the Moody Bible Institute Radio Station, Chicago, for a permit to construct a new non-commercial educational broadcast station to operate on frequency 41,300 kc. with power of 100 watts, unlimited time. The order is effective November 1, 1939.

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FLY DEFENDS NAB CODE IN MAIDEN RADIO SPEECH

The self-imposed Code of the National Association of Broadcasters was approved in principle last night (Thursday) by James L. Fly, Chairman of the Federal Communications Commission, in his first address since he took office. The talk was broadcast by the Columbia Broadcasting System.

While avoiding mention of names, Chairman Fly suggested to broadcasters and others that the NAB Code be given a fair trial and that all members of the trade organization should look to the "over-all benefits" rather than find fault with a rule which restricts them.

Elliott Roosevelt, son of the President, announced his resignation from the NAB last week in protest against a Code provision barring expression of opinion on controversial issues in a sponsored broadcast. Other stations have threatened to quit because of the ban on paid broadcasts by the Rev. Charles E. Coughlin, Detroit priest, after expiration of present contracts.

"It may be obvious that even self-regulation, voluntarily imposed, may at times actually regulate", he said. "We are reminded of the boy, who, understanding the problem, meets with a group and decides upon the rules of the game which shall be applicable to all concerned. Thereafter, when one of the particular rules has its impact upon his own conduct, and the boy breaks up the game, picks up his playthings and goes home, he is hardly displaying the highest type of sportsmanship.

"The adoption of the Code and its self-imposition by the broadcasters is an example of democracy at work. Democracy can hardly mean either in a game or in a form of Government that those who have adopted the regulations will abide by them only so long as they serve their own particular interest. Any set of regulations, even when self-imposed, is apt at some point along the line to apply to every particular person who has adopted the regulation. No one particularly enjoys the regulation the moment it restricts his own activity; but still, he should be capable of viewing the over-all benefits which may be derived from a comprehensive and effective set of rules applicable to all alike.

"But control of radio in the public interest is more serious than any game.

"A ready illustration of the character of the problems and the necessity of supplementing existing regulation was demonstrated by conditions at the outbreak of the current war. The crisis precipitated serious problems of completeness, fairness and accuracy of war news, and of the delineation and proper identification of war propaganda. Broadly, the integrity of the service was at stake. The problem of neutrality itself was involved. In that instance, representatives of the broadcasting industry drafted, and, to their credit, most of the broadcasters

## FLY REPORTS HAS COME IN MAINTS PUBLIC WORKS

adopted, a code of practices concerning war news and comment, effectively meeting these problems.

"It should be noted that neither this nor the general code already adopted was the work of the Communications Commission. They are none the less important as examples of self-regulation consistent with the public interest.

"To return to the provision of the Code voluntarily adopted last July which has provoked considerable discussion, the one having to do with the handling of controversial issues. This article recognizes that a well-balanced program of a radiobroadcasting station should include, as part of the station's public service, time for the presentation over the air of public questions, including questions of a controversial nature. However, it is provided that time for the presentation of controversial issues over the air shall not be sold except for political broadcasts. The Code does not prohibit selling time for the discussion of controversial public issues in the public forum type of program when such program is regularly presented as a series of two-sided discussions of public issues.

"It seems to me that here again, the problem is one of giving the rule a fair opportunity to work. The job of the broadcaster is to see that the public has opportunity to hear free debate upon all controversial problems.

"The one limitation in the Code is that time on the air may not be sold for the presentation of controversial issues. The Code places the duty on broadcasters to bring both sides of such issues to the public regardless of the ability of the speakers to pay for the time. It has been, and we may expect it to continue to be, the policy of the broadcasting companies to give free time to the responsible leaders who desire to speak on controversial issues. And at the same time to provide for the listeners an equal opportunity to hear the other side.

"The really grave issue is whether or not the right to speak and to present one-sided arguments on public questions shall be limited to those who can buy the time. In other words, shall single individuals or groups of individuals through sheer economic power be permitted to buy the limited amount of time and space in these limited channels of expression in order to advocate in a one-sided manner the views which they themselves desire to promote. Shall this mode of expression be sold to the highest bidder? If carried to the logical extreme, how then can the millions of the public constituting the radio audience be assured of receiving the complete and balanced discussions of public issues which they are entitled to receive. The least freedom exists in those countries today where only limited groups of powerful individuals can utilize the radio waveswith absolute freedom.

"It is worthy of repetition that both sides in public controversies should be heard; that there should be as full and complete a discussion of public issues as the time and facilities will permit. In turn, it must follow that no single powerful

opted, a code of practices concerning program and commercials, fectively meeting these problems.

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"The really great issue is whether or not the right to eak and to present organized arguments on public questions ll be limited to those who can pay for the time. In other words, all single individuals or groups of individuals through their onomic power be permitted to buy the lion's share of time and us to have limited channels of expression in order to advocate e one-sided views which they may be able to [illegible] to [illegible] audiences. Until this sort of expression is [illegible] to the listener [illegible]? If so, in the English [illegible] that the fair- [illegible] of the public [illegible] the [illegible] of [illegible] ving the [illegible] and national discussions of public issues ich they are entitled to receive. The Code's provision [illegible] that only limited groups of unlimited ividuals can utilize the radio [illegible] freedom.

"It is evident or recognized that only time in public controversies would be sold, that there would be no full and mplete discussion of public issues on the air. The legitimate ll [illegible]. In turn, it must follow that [illegible]

person or group should be able through the exercise of economic or other power to present only their side of controversial issues, and through the exercise of the same power exclude the other side from the radio channels.

"I have no particular brief for any detailed form of rule. It may well be that in the light of experience, the rule need be changed in some particulars, with a view to assuring the public that it does have full opportunity to hear full, free and two-wided discussions of all the great issues. Radio as a social force can only move along the line of giving to the public the fullest and freest expression of information, comment and opinion on all the great problems. Under the true system of democracy it can never be made available exclusively to the limited and powerful group who will present only their own side of any issue.

"It should be borne in mind that the Government does not license the radio station itself because it thinks that the owner has any legal right to be heard. The real reason the station is permitted to operate is because of the service which that station undertakes to give to all of you - the radio audience. I repeat, that much is basic."

Mr. Fly added that the FCC "neither asserts nor seeks the power to censor" radio programs and that "neither the Congress nor the Commission undertakes to act as a general lord for the industry."

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## BULOVA DEAL UPHELD IN FINAL FCC ORDER

The Federal Communications Commission this week entered its final order approving the controversial deal of Arde Bulova, New York watch manufacturer and broadcaster, to close an Atlantic City and a New York City station and operate a new outlet in New York, Station WBIL.

Following a public hearing at which the Bulova deal was attacked and defended, the FCC issued an order which upheld an earlier ruling granting the application of the Greater Broadcasting Corporation, of New York, a license to operate a new station on 1100 kc., with 5 KW power, unlimited time, in New York.

Station WPG in Atlantic City, N. J., which now operates on 1100 kc., with 5 KW, and shares time with Station WBIL, in New York City, will cease to operate in Atlantic City. Station WOV, New York City, now operating on 1130 kc., with 1 KW power, will also cease operation. The order is effective November 1.

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person or group should be able through the exercise of economic or other power to present only their side or controversial issues, and through the exercise of the same power exclude the other side from the public community.

"I have no particular belief for any details from of this. It may well be that in the light of experience, the rule should be changed in some particulars, with a view to assuring the public that it does have full opportunity to hear full, free and balanced discussion of all the great issues. Radio as a medium of course has only been along the line of giving to the public the fullest and freest exposition of information, opinion and opinion on all the great problems. Under the free system of broadcasting it can never be made available exclusively to the limited and powerful group who will be seen only their one line of any issue.

"It should be borne in mind that the Government does not license the radio station itself because it thinks that the owner has any legal right to be heard. The real reason the station is permitted to operate is because it is serving with the station understands to give to all of you - the radio audience. respect, high such is again."

Mr. Fly added that the FCC "believes strongly that radio power to monopoly radio programs and that neither the Congress nor the Commission understands to set up a general law for the industry.

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## SUPPOSE NEW STATION IN ATLANTIC CITY

The Federal Communications Commission this week approved final order permitting the controversial deal of Arne Wilson, New York watch manufacturer and broadcaster, to place in Atlantic City and a New York City station and operate a new radio in New York, Station WCBL.

Following a public hearing on which the Fulton and attacked and defended, the FCC issued an order which upholds earlier ruling granting the application of the Greater Trans-Atlantic Corporation, of New York, a license to operate a new station on 1100 kc., with 5 KW power, beginning time, in New York.

Station WCBL in Atlantic City, N. J., using new frequency of 1100 kc., with 5 KW, now shares time with Station WCAL, in New York City, will move to another in Atlantic City. Station WCBL, New York City, now operating on 1100 kc., with 1 KW power, will also cease operation. The order is effective November 1.

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SWEENEY SAYS OWN SURVEY SHOWS SUPER-POWER NEED

A one-man post-card survey contradicts findings of the Federal Communications Commission and shows the need for super-power broadcasting by Stations such as WLW, Cincinnati, to serve rural areas, Representative Sweeney (D.), of Ohio, said this week.

In an extension of remarks in the Congressional Record Representative Sweeney set forth in detail the results of his survey.

"Mr. Speaker, after months of work, and I might say after a great deal of time and effort, I am prepared now to give the House the result of a postal-card survey I personally made of the broadcasting situation as it exists today", he said. "I made this survey in an effort to show that the action of the Federal Communications Commission in denying clear-channel stations additional power to meet the demands of rural listeners was arbitrary, unwarranted, and capricious.

"You will recall that last May the Federal Communications Commission, and after a stormy hearing that lasted several months, decided - I might say against the weight of all social and economic evidence - to deny clear-channel stations a power output in excess of 50 kilowatts. This decision meant that people living in rural areas in many States of the United States would be left with poor, and in a very great percent of the instances, without any satisfactory radio reception. At the time the Commission arrived at this strange decision to put aside the public interest and to administratively legislate for a very small minority in the broadcasting field, I criticized this finding and called attention of Members of the Congress to this unexplainable act. At that time I did not have many facts and figures available other than the information which was brought out at the hearings. Because I found such a great deal of interest both in the House and on the outside in my criticism of the Commission, I decided to make a survey of my own and see what the situation was at the present time.

"With this in mind, I sent out 25,000 cards to rural route box holders in Louisiana, Kentucky, Michigan, Florida, Virginia, Kansas, Missouri, West Virginia, Alabama, North Carolina, Mississippi, Ohio, Indiana, and Arkansas asking them to select the first 4 stations of their choice both in the daytime and at night, and to also give me their comment on the business of broadcasting. I got back, to date, a 10 percent return on these cards and the result has been amazing, not only to me but I am sure it will be likewise amazing and probably very interesting to the Federal Communications Commission. The survey card which I sent was almost an exact duplicate of the one sent out by the Commission in 1935 and again in 1937, and bears out exactly what I said on the floor of this House on Tuesday, May 16, 1939, when I made the statement that rural America stands condemned to the 'tongueless silence of the dreamless dusk'. That rural and suburban America depend upon and listen to clear-channel stations has been demonstrated by the returns of this survey. This is unquestionably substantiated by the fact that in the

14 States mentioned, the clear-channel stations which now have the greatest amount of power are almost alone in the field of preference of the rural radio listener. Rural America depends upon the clear-channel stations and if I am to believe the comments contained in the cards that I got back, most of this cross section of the country, not only are anxious, but demand power that will put them on a par with their metropolitan brothers in the matter of radio reception.

"In this connection I might add that many of the cards came back to me with the notation to restore the power of the Ohio station which was the only one permitted to operate in excess of 50 kilowatts for a specified time. The survey demonstrates beyond the shadow of a doubt that this station, in its experimental operation, was able to furnish good radio reception to the rural areas, a condition that cannot now be approached since the station was arbitrarily reduced from 500 kilowatts to 50 kilowatts power last March.

"From every section of the country comes the demand that Congress should take in its own hands the business of permitting clear-channel stations to operate on power greater than 50 kilowatts. If the Ohio station served the rural listener so effectively, I cannot see why the Commission does not probe the question a little further, and should it do this I am sure it will reach the unalterable conclusion that the only answer to reception parity in radio is power. If the Commission would decide to grant licenses to clear-channel stations for power in excess of 50 kilowatts the answer would be automatic in the affirmative."

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CELLER OFFERS BILL TO CURB DEFAMATION ON RADIO

A bill was introduced in the House by Representative Celler (D.), of New York, this week to provide criminal and civil remedies for the defamation of classes of persons, groups, etc., either over the air or through the mails.

The legislation provides the right to bring civil action for damages in the Federal Courts against any person or persons who use the radio or the mails or the press in transmitting in interstate or foreign commerce printed or oral defamatory, slanderous or libelous statements concerning any religious, racial, national, fraternal, industrial, commercial or labor group.

Similarly, any person or persons who shall by radio or by press or through the mails, send or transmit, or shall cause to be sent or transmitted in interstate or foreign commerce, any written, printed or oral communication which is defamatory of any religious, racial, national, fraternal, industrial, commercial, or labor group, shall be liable for imprisonment for a term not to exceed one year, or to a fine not to exceed $5,000 or both. In such action, as in the civil action, the defenses of truth and privilege shall be available.

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## TRADE NOTES

World Radio Market releases of the U. S. Department of Commerce this week included reports on Chosen, French Guiana, Canary Islands, and China.

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David Lawrence, editor of the United States News, and Edgar L. Bill, of the National Association of Broadcasters, are scheduled to air opposing views on the new NAB ruling on controversial broadcasts in talks via CBS network Sunday, October 29, and Sunday, Nov. 5, respectively. (WABC CBS, 1:35 to 2:00 P.M., EST, Sunday, Oct. 29, and 1:45 to 2:00 P.M., EST, Sunday, Nov. 5). The title of Mr. Lawrence's address is "Freedom for the Thought We Hate", and is in reply to one made over CBS Sunday, Oct. 22, by Neville Miller, NAB President. Mr. Bill, President of Station WMBD in Peoria, Ill., and Chairman of the NAB Code Compliance Committee which promulgated the ruling, has "The Code Means Fair Play to All" as his topic.

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An application to remove its transmitter to Kearney, N. J., will be filed with the Federal Communications Commission, it was announced this week by Donald Flamm, President of Station WMCA. Selection of the wite was made recently following an agreement with the City of New York to eliminate the two 300 foot towers from the Flushing plant held to be a hazard to the new North Beach airport. Pending approval of the application, WMCA will continue operation from the present location.

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G.T.C. Fry will become Sales Promotion Manager for Columbia's Detroit office, effective November 1, it was announced by Victor M. Ratner, CBS Director of Sales Promotion. Mr. Fry comes to Columbia from a post as Assistant Promotion Manager for Esquire Magazine, and will report directly to Mr. Ratner.

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Appointment of a receiver for the Majestic Radio & Television Corporation was asked in Chicago Federal Court yesterday by Attorney Norman Nachman, who said he represented creditors. Interests closely identified with Majestic Radio & Television Corporation were responsible for the heavy selling of the company's stock just before trading was suspended Tuesday by the New York Curb Exchange, an investigation by State Attorney General John J. Bennett, Jr., disclosed, according to an Associated Press report under the date line of New York, Oct. 25. Temporary suspension of trading of that company's stock in the Curb Exchange was ordered on October 24.

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## TRADE NOTES

Paid Public Relations of the U. S. Department of Commerce this week in-house reports on Ghana, French Guiana, Sierra Leone, and Malta.

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David Lawrence, editor of the United States News, and Harry L. Hill, of the National Association of Broadcasters, are expected to be operating while on leave from NAB during October 29, several conferences in Paris that week-end, Friday, October 29, and Sunday, Nov. 3, respectively. (Paris GMT, 1:35 to 2:00 P.M. GMT, Sunday, Oct. 29, and 1:00 to 2:00 P.M. GMT, Sunday, Nov. 3). The title of Mr. Lawrence's address is "Freedom for the Thought Barrier", and is to deal with some aspects of Sunday, Oct. 29, World Wide, and President, Mr. Hill, President of Station WSB of Atlanta, Ga., "Broadcasting - The NAB Code Committee." Mr. Hill, president-elect of the Ohio Conference, Radio, Broadcasting Industries, has "The Ohio Plan." Air Time to Hill' on his topic.

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In application hearings are scheduled to Federal Communications Commission, D.C., will be filed with the Federal Communications Commission, the week-ending this week by Dennis Frank, President of Station WCA. Selection of the site is now, reportedly, affected by agreement with the City of Tarrytown to eliminate the two 400 foot towers from the Station's plant. Station is a member of the New York Power Airport. Pending approval of the application, WCBA will continue operation from Hawthorne, Westchester County.

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G.T.E. Pay this Year Sales Promotion Manager for Sylvania's Television Division Appointed. It was announced by Victor E. Stamm, Jr., Director of Sales Promotion. Mr. Tay moved to Oshkosh, from a position as Assistant Promotion Manager for Sylvania Marketing, and will report directly to Mr. Stamm.

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Application of a corporation for the Metropolitan Radio & Television Corporation, was filed in Chicago Federal Court last week by Attorney, Irwin Bromson, who said he represented stockholders interested closely involved with Metropolitan Radio & Television Corporation were functionally the same entity of the corporation's owner that before leaving was a director. Charges by the New York Corp. Commission, on Interrogatories or Sworn Statement General John O. Bestwick, 90, Wednesday, according to an Associated Press report under date line of New York, Oct. 29. Temporary suspension of trading of that company's stock in the Over Counter Market was ordered on October 24.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF OCTOBER 31, 1939



No. 1170

October 31, 1939.

NAB, EMBROILED IN CODE ROW, SUMMONS DIRECTORS

With the controversy over the NAB Code ban on paid broadcasts of controversial topics growing, Directors of the trade organization will meet in Chicago on Thursday and Friday of this week in an attempt to mollify critics and avert a wider split within broadcasting ranks.

While Washington officials of the NAB predicted that the Directors will reaffirm their support of the Code provision, the Directors will consider at least one proposal to modify the controversial ban.

With the expiration of most station contracts with the Rev. Charles E. Coughlin last Sunday, the NAB has been informed that many of the stations are determined to renew the weekly series of talks regardless of the consequences.

John Shepard, III, President of the Yankee Network, whose Northeastern stations have formed the backbone of the Coughlin hookup of 40-odd radio outlets, has taken the lead in demanding modification and has stated that he will renew the series even if he has to give the time to Father Coughlin.

So far, NAB officials said, only four formal resignations have been received since the Code controversy arose. Three of these are owned by Elliott Roosevelt and his wife, and the fourth is assiciated with his interests. Young Roosevelt, when he announced his intention of quitting the NAB, said ten members of the Texas network would resign as he did.

NAB Directors, while encouraged by the general endorsement of the Code by James L. Fly, Chairman of the Federal Communications Commission, have been disturbed by attacks from other quarters. Elliott Roosevelt criticized it in a broadcast from Windsor, Ontario, and David Lawrence, Washington editor, assailed it in a national hook-up over the week-end. (See stories elsewhere in this issue).

The Committee on Industrial Organization, on the basis of action taken at the recent national convention, is advising its member unions to challenge the NAB Code and demand the right to purchase time for the discussion of controversial issues.

Holding that the Code ban on paid controversial broadcasts is an infringement of free speech, the C.I.O. contends that the provision can be used to preclude all labor issues. Labor organizations, its officials insist, should have the right both to buy time and demand free time in certain cases if the discussions are "in the public interest".

A legal question also has arisen to bother the NAB Directors. Mr. Shepard has made the point that because the Code, which became effective October 1, sanctions existing contracts up to a year from that date, Father Coughlin carriers may continue at least until October 1, 1940, without violating the Code.

Fear that failure to observe the Code provisions might result in punitive action by the FCC, was expressed in some industry quarters. Recalcitrant stations, it was thought might be regarded as vulnerable to attack before the FCC which could take judicial notice of their purported failure to observe Code provisions in applications dealing with their facilities or in connection with license renewals.

At the FCC, however, no basis could be found for such observations or rumors. While NAB President Neville Miller and Public Relations Director Ed Kirby have discussed the Code provisions with members of the FCC, they pointed out they did so simply to keep key officials informally advised of steps being taken by the industry to improve operating standards.

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ELLIOTT ROOSEVELT SEES WAR OVER NAB CODE

Elliott Roosevelt, discussing what he called a "great battle" developing in the radio industry over a recent Code ruling of the National Association of Broadcasters, said in a broadcast talk Saturday night that in America "today, more than ever, outspoken free speech should be encouraged". His broadcast came from Windsor, Ontario, Canada.

Mr. Roosevelt referred to the NAB ruling which forbids purchase of radio time for discussing "controversial issues", except under certain conditions, and said:

"Many broadcast station owners are up in arms over its provisions and claim that it is a flagrant example of censorship that throttles free speech and is the opening wedge for the Government to step in and take over this job.

"When that occurs, broadcasting in this Nation will become nothing but a propaganda tool. The Texas State network has expressed its disagreement with the Code and has stated any one can buy time on its facilities to discuss any controversial issue."

Mr. Roosevelt, who spoke over Windsor Station CKLW, said that the Rev. Charles E. Coughlin, Royal Oak (Mich.) priest, was "welcome" to purchase time on the Texas network. Father Coughlin of late has been devoting his Sunday radio hour to the neutrality question as it involves the arms embargo.

"Officers of the Texas radio network have stated that Father Coughlin is welcome to purchase time to discuss anything he pleased on our facilities just so long as he observes the Constitution of the United States, which means that he does not foster racial or religious hatred or advocate a change in any way of our form of Government", Mr. Roosevelt said.

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A legal question also was raised as to whether the [illegible] [illegible]. Mr. Shepard has made the point that because the Code, which became effective October 1, [illegible] existing contracts [illegible] a year from that date, [illegible] Coughlin [illegible] may continue at least until October 1, 1940, without violating the Code.

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At the FCC, [illegible]

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## ELLIOTT ROOSEVELT [illegible] NAB CODE

Elliott Roosevelt [illegible]

Mr. Roosevelt [illegible]

[illegible]

[illegible]

Mr. Roosevelt [illegible]

FCC MAKING STUDY OF COMMUNICATIONS FACILITIES

The Federal Communications Commission is investigating communications facilities in anticipation of a national emergency, James L. Fly, Chairman, said this week.

The needs of governmental agencies, especially the armed services, are being examined in the light of plans for national defense, Mr. Fly said.

While Mr. Fly denied that the program was being undertaken as a direct result of any immediate developments in world affairs, he said that it was part of the national defense scheme. He likened it to the work of the War Plans Divisions of the War and Navy Departments, where new situations constantly are visualized and plans made to meet them.

The whole program also is being studied in connection with a review of the laws which might be applicable, and if there are any obstructions found to any plans, with the view, either to get the legislation ready now for introduction when the emergency arises, or, insofar as possible, clear the air promptly.

The President is given broad powers over communications in time of a national emergency, or even to enforce the neutrality laws. He may take control of stations and amend or issue new regulations to suit the situation, but, of course, with a provision that if the Government does exercise control, there must be just compensation. While there is authority to take the stations over for control, or even to close them and remove their apparatus, there is nothing which would give the Government the right to put censors in their offices. At this time there is no way in which the Government can lawfully inspect messages going out of the country over the radio or cable communications.

The task, under present conditions, would be a gigantic one, it was pointed out by Chairman Fly, because many of the messages are in code and there are about 60,000 such messages every 24 hours in New York City alone. It would take hours, and perhaps days, it was pointed out, for the experts to break down the codes, and even when broken down, maybe the users would have shifted to a new one.

Of course, it was explained, in time of war, codes might be prohibited to private individuals and firms which would lighten but not entirely remove the problem, because there are codes using even plain language, with even the text reading smoothly, and these are declared to be the most difficult to break down, because they are hard to recognize as code.

Efforts are being made to ascertain the needs of all departments of the Government - this is particularly true so far as services are concerned - so that a program can be worked out which would immediately become effective if necessary. With this the Commission is seeking to determine what may be expected of the communications industries under this system to acquaint them with the governmental needs.

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## SENATE MAY GET AMPLIFYING SYSTEM

A survey of the possibilities of installing an amplification system in the staid United States Senate chamber is being conducted at the Capitol although officials decline to discuss it at this stage.

Complaints that visitors in the galleries failed to hear some of the words of distinguished Senators during the neutrality debate induced the study, it is understood. The House, equipped with "mikes", had no such complaints.

The Senate chamber offers more of a practical problem than the House, however, because Senators talk from their seats of wherever they happen to be standing, whereas members of the House speak from the "well", or just in front of the Speaker's desk.

Recalling the ire with which several veteran Senators greeted the dial telephone, Capitol officials are apprehensive of the fate of "mikes" if they are placed on every senatorial desk.

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## CROSLEY TO SELL TIME ON NEW S-W STATION

With the completion in November of its new 50,000 watt international station, Station WLWO, owned by the Crosley Corporation, Cincinnati, Ohio, will sell time on the station pursuant to the new rules governing international broadcasting stations permitting sponsorship. Formerly known as W8XAL, the station will begin operation with entirely new equipment and will beam its signals toward the South American market.

The station management and operation, along with the pioneering work in time sales, will be under the direction of James D. Shouse, Crosley Vice-President in Charge of Broadcasting, and Robert Dunville, General Sales Manager.

The signal will be concentrated along the east coast of Brazil, Uruguay and Argentina, directed toward such cities as Rio de Janeiro, Buenos Aires, Montevideo and Sao Paulo. It is estimated that WLWO will transmit more than 100,000 watts in this direction. A rhombic antenna concentrates the station's full output in a small beam, making it possible to deliver a signal strength of more than 600,000 watts at any given point, it was stated.

The station will operate on six frequencies, which will be changed throughout the day so that the comparative signal strength always reaches the east coast of South America. The frequencies are 6060; 9590; 11,870; 15,270; 17,760, and 21,650 kc.

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## THREE CONGRESSMEN CROSS WORDS AT FCC HEARING

An FCC hearing room looked like the House of Representatives chamber ond day last week when three members of Congress tangled in oral arguments involving pending applications of their respective constituents.

The free-for-all developed after Representative Kent Keller (D.,Ill.) appeared as co-counsel in behalf of the application of Orville W. Lyerla, Postmaster of Herron, Ill., for a new local station there on 1310 kc. The Federal Communications Commission had granted the application last July but vacated it on motion of KFVS, Cape Girardeau, Mo., and WEBQ, Harrisburg, Ill., time-sharing stations on 1210 kc., which had mutually conflicting applications.

After Reed T. Rollo, Washington counsel for Mr. Lyerla, had made his general reargument and had introduced Representative Keller, George O. Sutton, counsel for the other two stations, presented Congressmen to speak on their behalf. Representative Clyde B. Parson (D., Ill.) then extolled the virtues of WEBQ, while Representative Orville Zimmerman (D.,Mo.), followed suit for KFVS. Indignant because he said his brother Congressmen had not kept "within the record", Representative Keller then sounded a five-minute eulogy in behalf of Herron and its need for facilities. Acting Chairman Walker tried several times to shut off this mode of discussion without avail.

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## PRESIDENT LAUDS RADIO IN SPEECH TO FORUM

Radio as a transmitter of ideas was praised by President Roosevelt last week in an address transmitted from Washington to the Herald-Tribune Forum in New York City.

"I am glad to say a word in this forum because I heartily approve the forum idea. After all, two eighteenth century forums in Philadelphia gave us the Declaration of Independence and the Constitution of the United States", he said.

"It is the magic of radio that has so greatly increased the usefulness of the forum. Radio listeners have learned to discriminate over the air between the honest advocate who relies on truth and logic and the more dramatic speaker who is clever in appealing to the passions and prejudices of his listeners.

"We have had an example of objective reporting during recent weeks in the presentation of international subjects, both in the press and the radio. Right here I should like to throw bouquets to the majority of the press and the radio. Through a period of grave anxiety both have tried to discriminate between fact and propaganda and unfounded rumor and to give their readers and listeners an unbiased and factual chronicle of developments. This has worked so well in international reporting that one may be pardoned for wishing for more of it in the field of domestic news. If if is a good rule in one, why is it not a good rule in the other?"

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## MUSICIAN CONTRACTS TO BE DISCUSSED IN NEW YORK

Preliminary negotiations for the revision, extension, or renewal of contracts between organized musicians and the broadcasters will be discussed this week at a conference between spokesmen of the American Federation of Musicians and Independent Radio Network Affiliates.

With the present contracts expiring on January 17 for network affiliated stations, the IRNA Board will convene in New York Wednesday, November 1st, preparatory to its meeting with AFM the following day. Contracts of non-network independent stations with AFM locals, following closely the terms of the network affiliate agreement expire in September.

The IRNA Executive Committee, after holding its preliminary session, will meet with the labor experts of the major networks. Under the existing contracts, the networks share in defraying cost of hiring musicians for stations, based on a stabilization fund through which they contribute to payments made by affiliates.

The IRNA Executive Committee also will meet with a group representing National Independent Broadcasters, Inc., headed by former Federal Radio Commissioner Harold A. Lafount, on the same problem. The contract evolved by independent stations differs only slightly from that entered into by the affiliated stations through IRNA.

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## ADVERTISERS TOLD RADIO AUDIENCE HAS GROWN

The Association of National Advertisers, who collectively foot the bill for this country's radio entertainment, were told that the radio audience has grown since the outbreak of the European war when they met last week in Hot Springs, Va.

The growth, it was explained, was not due so much to extra sales of receivers as to the fact that set-owners are listening more often to keep abreast of international developments.

At the same time the advertisers were reported as being worried at the increasing cost of radio talent and the trend toward unionization in the industry. Neville Miller, President of the National Association of Broadcasters, addressed the convention on the work of the trade organization in advertising research.

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DAVID LAWRENCE ASSAILS NAB CODE OVER CBS

As one of the most outspoken critics of the Code of the National Association of Broadcasters, David Lawrence, distinguished editor and columnist, took the air Sunday to answer Neville Miller, President of NAB, and amplify his opinions on the ban on sponsored broadcasts of controversial topics.

Edgar Bill, Chairman of the Code Compliance Committee of the NAB, is scheduled for a broadcast next Sunday to answer Mr. Lawrence. Mr. Bill will be heard from Peoria, Ill.

Some of the highlights of Mr. Lawrence's address follow:

"The NAB says that it will gladly give 'free time' for the discussion of controversial questions. But how much 'free time'? There we encounter the true censorship difficulty. Occasionally -- but not regularly and 'when facilities permit', there will be 'free time'. The opportunity to have a regular week-by-week program on a controversial subject is, therefore, to be denied hereafter to any group or organization or citizen. You can buy time for a series of programs to sell toothpaste, but not to sell ideas.

"The reason given by the NAB is that it is desired to prevent the wealthy from having too much time on the air. At first glance, this sounds plausible. But let us examine the merit of the contention. In the first place, the NAB permits itself a conspicuous exception. It will allow the sale of time for political broadcasts during campaigns but conveniently forgets to equalize the financial handicaps of the political party with the lean purse as against the political party with the fat purse. If unequal financial capacity is to be the measure of self-restraint between campaigns, should it not also be applied at a time when political parties, well supplied with funds, seek to exploit the people or that part of the electorate which is sometimes referred to as the 'underprivileged'?

"Again while we are on the subject of finances, if the radio station owners are solicitous about financial inequality, will not some day the question be asked them why they permit huge corporations and big businesses to buy all the time they want to sell their products while the competing businesses not so fortunate must face that competition in sales? Was it not Thurman Arnold, Assistant Attorney General of the United States, who raised this very issue recently as to the alleged unfairness of large sized capital in using huge advertising appropriations to keep the little fellow from successful competition? Have we forgotten already the Tugwell doctrine written into some of the codes of the NRA days whereby advertising was to be limited by concerted action of the code members?

"Clearly we draw ourselves into the ensnaring web of collectivism when we start equalizing financial and economic opportunities and it is transparently fallacious to say that an organization with an idea to sell -- as, for instance, a labor union seeking to buy time to carry on a campaign for better wages for its members -- is not engaged in selling an economic or material thing.

"Radio is under no legal or moral obligation whatsoever to hold the scales even between those who can or cannot afford to buy time for any lawful purpose. Nor is there such a grave danger of undue influence in a buy-as-you-please policy as you may have been led to believe. I can remember political campaigns, for example, in which one political party paid huge sums for newspaper advertising while its opponent did not, and instances also where all the newspapers in a given city backed a particular candidate and yet neither of these advantages affected theoutcome of the election even though there was at the time no medium like radio with which to appeal for votes.

"I do not believe we need fear the people's capacity to discriminate between sound and unsound argument irrespective of the fact that the actual quantity of words may be greater in the presentation of one side than the other.. . . .

"Now it is claimed that if the radio stations sell time on the air the controversialists will monopolize the air. This seems to me more of a pretext than a reason because we all know that a balanced program can be arranged by any station just as is the case with the issuance of a newspaper which keeps a general ratio between the amount of news matter and advertising.

"The radio business is a form of publishing. The radio station itself can limit the amount it will accept from advertisers for a given series of programs and yet be above criticism. American newspapers confronted often by mechanical problems at the last moment of going to press lay aside some paid advertising. Also there are newspapers which do not accept an excessive quantity of what is termed political paid advertising and in some instances none at all is accepted. But, in the main, newspapers are careful not to bar anybody who conforms to the laws of libel and they do not discriminate between users nor do they join with other newspapers across the country in a national boycott of particular kinds of lawful advertising. . . . . .

"The new code adopted by the NAB is confessedly created to prevent governmental regulation of radio programs. In my judgment it will bring on radio regulation by Government faster than any other single circumstance through the action of aggrieved parties seeking redress. For history shows that so-called voluntary efforts to exercise police power in an industry have invariably resulted in public clamor to have a 'disinterested' institution do the regulating. Usually, Government as the representative of all the people and the theoretical custodian of their delegated power, offers itself as the 'disinterested' institution. . . . . .

"What then is the answer? We have evolved the answer through centuries of time with respect to the press. Let each owner decide for himself what he shall permit to be published. If he abuses that privilege, the listener can turn off the radio station and move his dial to another station just as the reader can decline to subscribe to a publication he dislikes. Stations which put on undesirable programs involving bad taste or unfairness in any respect as a chronic policy lose listeners rapidly and that means a loss of advertising potentiality.. . . . . .

"Let each and every radio station management be the judge of what it shall not carry on its programs and let no group of owners attempt in concert to foist on the American people a form of censorship of radio. The only censorship we should ever tolerate is the censorship imposed by the listeners themselves. For in any other direction lies the end of precious civil liberties and the introduction of government control over all mediums of communication whether spoken or written.

"It is not too late for the NAB to modify its course. It should withdraw from its code those provisions relating to the purchase of its facilities by public organizations and offer its wares in a balanced relationship between information, argument and entertainment which individual management, exercising good judgment, can easily achieve."

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## TWO STATIONS GRANTED FOR ONE CITY

The Federal Communications Commission last week entered its final order granting the application of Saginaw Broadcasting Company for a new station in Saginaw, Mich., to operate on 1200 kc., 100 watts night, 250 watts, local sunset, with specified hours of operation, and the application of Gross and Shields for a new station in Saginaw to operate on 950 kc. with 500 watts power, daytime hour. The order is effective November 1, 1939.

The FCC also granted the application of Spartanburg Advertising Company for a new station in Spartanburg, S. C., to operate on 1370 kc. with 100 watts at night, 250 watts until local sunset, unlimited time.

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## BROADCAST MUSIC PLAN IS COMPLETED

With its plan of organization completed, the new $1,500,000 Broadcast Music, Inc., subsidiary of the National Association of Broadcasters, hopes to begin active operation as soon as formalities of the organization are cleared through the Securities and Exchange Commission.

A meeting of the Broadcast Music Board was scheduled for New York today (Oct. 31), and the organization plan was to be approved in final form. President Neville Miller reported prior to the meeting that response from the industry has been encouraging and that pledges made at the special convention on copyright in Chicago September 15 for the $1,500,000 stock would soon be solicited. It is expected a series of NAB regional meetings, in the 17 districts into which the country is divided, will be arranged for this purpose.

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## TRADE NOTES

The Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce has an inquiry from a Commercial Attache for names of manufacturers of pocket radio sets with headphones for use by foot patrolmen. Firms making such equipment are requested to communicate with the Division, in order that an up-to-date list can be prepared.

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The Federal Trade Commission has scheduled a hearing involving the Automatic Radio Manufacturing Company, Inc., Boston, and others, for Wednesday, November 1, at 10 A.M., Room 410, Federal Building, Buffalo, N. Y. Unauthorized use of well-known trade names is the complaint. Trial examiner, Lewis C. Russell; Carrel F. Rhodes, Commission attorney.

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The Metropolitan Life Insurance Company Saturday filed suit in Federal Court of New York, charging the New Jersey Broadcasting Corporation with making defamatory statements in the Italian language. The insurance company asked for $250,000 damages. The plaintiff alleged that the radio company, operating through Station WHOM, made false and derogatory statements in a series of broadcasts made at intervals between January 1 and August 29. In the first of these, the complaint asserted, the Metropolitan company was accused of distributing pamphlets that reflected on the character of a man who figured in the broadcasts. The broadcasts continued despite warnings, it was alleged.

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Akron,Ohio, labor leaders said last Saturday night they had asked the Federal Communications Commission to "take action" in connection with cancellation by Radio Station WJW of a weekly broadcast contract with the Akron Union Industrial Council (C.I.O.). S. H. Dalrymple, Council spokesman, asserted the station cited the new Code of the National Association of Broadcasters banning "controversial material".

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The monthly index of direct-mail volume in the current Printer's Ink shows an increase of 0.5 percent over 1938 for September. Cumulative volume for nine months is 3.6 percent better than in 1938. The index of radio advertising in September was up 28.5 percent over 1938, but off 6.1 percent from August. For nine months the index records an increase of 15.5 percent over 1938.

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## TRADE NOTES

## EDITOR HITS RADIO IN ASCAP ROW

Following are excerpts from a recent editorial appearing in the Chicago Daily News and subsequently copied and circulated by American Society of Composers.

"Why are the radio interests so determined to deprive song writers and song publishers of reasonable recompense for the products of their creative talents and industry? In some half dozen states in recent years legislators have been prevailed upon to enact so-called 8anti-monopoly' statutes against the American Society of Composers, Authors and Publishers, more familiarly known as ASCAP. ASCAP is an unincorporated, voluntary association of creative artists and publishers formed many years ago to safeguard the rights of its members under federal copyright laws. . . .

"Yet even among broadcasters there seems to be a dawning realization of the futility of an effort to nullify federal copyright laws through state legislatures. Perhaps this explains a movement begun by broadcasters at a recent convention in Chicago.

"Enthusiastically backed by nearly every radio station in the country, this looks toward the establishment of a radio-controlled rival for ASCAP. Such an organization would eventually give radio power to deal dictatorially with a carefully controlled clique of publishers, composers and authors. Happily, this effort seems as surely foredoomed as all previous attempts to crush ASCAP. ASCAP has done more than merely safeguard the economic rights of its members. It has served to educate them to the nature and importance of those rights. The only manner in which the new organization might grow into a real rival for ASCAP would be through assuring its members greater security and more adequate recompense for their talents."

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## KDKA READY TO OPEN 50 KW. STATION

Westinghouse Station KDKA, Pittsburgh, will go on the air next Saturday from its new 50,000-watt transmitting station at suburban Allison Park, 19 years and two days after it broadcast the world's first scheduled radio program over a puny 100-watt transmitter.

In striking contrast to that first fragile, adolescent equipment which included a wire aerial fastened to a factory chimney, the new transmitter is equipped with banks of sleek, powerful transformers, streamlined cabinets concealing all radio apparatus, a sound-proof master control room, and a 718-foot antenna tower.

Although for the present the new transmitter station will send out only the standard broadcasts of KDKA, it is designed ultimately to assume the broadcasting of short-wave programs over the Westinghouse international station WPIT (formerly W8XK), which is now operating at Saxonburg, and to inaugurate noise-free experimental short-wave programs over a "pickaback" aerial which will perch atop the 718-foot standard broadcast tower. Standard wave length broadcasting facilities of the station have been transferred from Saxonburg to Allison Park in order to provide more powerful radio reception for Pittsburgh's metropolitan area, Walter C. Evans, Manager of the Radio Division of Westinghouse, explained.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF NOVEMBER 3, 1939.




No. 1171

NEW RADIO CHAIN FORMED WITH ELLIOTT ROOSEVELT

Broadcasters and members of the Federal Communications Commission were awaiting with keen interest this week complete details of the organization of a new national network in which Elliott Roosevelt, son of the President, was reported to have a major role.

Conflicting versions of the developments at a conference in Chicago left officials and broadcasters a bit confused as early reports that young Roosevelt would head the network were denied subsequently. The last report was that he would not be a member of the Board of Directors.

Nevertheless, it appeared that the Texas Radio Network, which he does head, would be a part of the new network, and the President's son was quoted by United Press as saying that he is one of the stockholders.

Officials of the National Association of Broadcasters were particularly interested in the Chicago activities because of Elliott Roosevelt's withdrawal from the NAB on account of the Code ban on paid controversial broadcasts.

A stormy petrel in the broadcasting industry from the time of his entry via Hearst Radio, Inc., Elliott Roosevelt appears determined to become a dominant figure in the industry. Meanwhile, FCC officials are looking on in embarrassed silence although Chairman James L. Fly, apparently after consultation at the White House, indirectly criticized him for refusing to abide by the Code.

The new network took the name of the Transcontinental Broadcasting System and boasted that it might include as many as 100 stations with key outlets in New York, Chicago and Hollywood.

John T. Adams, of Fort Worth, Vice President of the Texas Network, which Elliott Roosevelt heads, was elected President of the organization. This election was interpreted by broadcasters that the President's son preferred not to be the nominal head of the network because of possible embarrassment to his father but nevertheless would be "the power behind the throne".

William A. Porter, of Washington, a Director and Vice-President of the chain, said that young Roosevelt had been "active in organizing the Transcontinental System but would not serve on the Board of Directors or as an officer".

Previously Roosevelt was quoted as saying that he was one of seven stockholders engaged in organizing the network.

He said the new chain would operate in competition with the Columbia Broadcasting System, the National Broadcasting Company and the Mutual Network.

The network was incorporated in Wilmington, Del., he added, as the Transcontinental Broadcasting Company, with seven stockholder-directors were holding their first meeting in Chicago. The stockholders, he said, were himself, H. J. Brennan of Pittsburgh, John Roberts and Clarence Crosby, both of St. Louis; Jack Stewart and Thomas Evans, both of Kansas City, and Lester E. Cox, of Springfield, Mo.

Mr. Roosevelt explained that all the stockholders except himself were Directors of the new corporation and that he was represented on the Board by John T. Adams, with whom he was associated in the Texas Network.

"The Texas Network is a part of the new chain, but I do not want to give the impression that I am the organizer of the chain", he stated. "I am, as operator of radio stations, only a one-hundredth part of it."

Mr. Roosevelt said the chain would include a few stations of 50,000 watt power, but the majority would be of 5,000 watts.

Earlier young Roosevelt was reported to have broken with the Mutual Broadcasting System, with which his Texas Network is affiliated and over which he broadcasts his own comments, although the regional's contract was said to have a year and a half more to run.

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CIVIL LIBERTIES EXECUTIVE DEFENDS NAB CODE

While Directors of the National Association of Broadcasters were meeting in Chicago to consider developments in the row over the NAB Code, Quincy Howe, an executive editor of Simon & Shuster, New York publishers, and Chairman of the National Council for Freedom from Censorship, an affiliate of the American Civil Liberties Union, spoke in defense of the Code over an NBC-Red hookup.

Asserting that neither the union nor the council ever advocated "complete, unrestricted, absolute freedom of speech", Mr. Howe said that the NAB action was the alternative to governmental censorship and "cannot fail to meet the full approval of all Americans who dislike censorship".

"Insofar as the Code bears upon the issues of free speech and censorship", he said, "it is one of the most welcome developments we have seen in the United States in a long time.

"Theoretically", he added, "any private self-regulation is to be preferred to government regulation since government regulation is censorship. I can, of course, imagine circumstances under which a government censored radio might be preferable to self-regulated radio, but those circumstances would arise only if the radio industry became not only utterly corrupt, but utterly blind to its own interests. As long as the radio industry remains as honest and competent as it is today, there can be no doubt that the present system of self-regulation, especially if the principles of the present Code are maintained, will be infinitely preferable to a radio industry censored and perhaps finally controlled by the government.

But censorship is only half the story, and the negative half at that. The radio industry in the United States - like all other industries charged with the communication of ideas - cannot rest content merely because it is not censored. Indeed, the radio industry - and I think this applies just as much to other industries - cannot continue to prosper, cannot continue to enjoy its present freedom from censorship, cannot go further along the path of self-regulation unless it rises to its responsibilities and opportunities. The new Code of the National Association of Broadcasters gives the radio industry exactly such an opportunity. There are a few minor points that might, I think, be improved and perhaps they will be in time, but by and large there is no excuse under the Code why the radio industry cannot contribute even more than it has in the past to the free exchange of ideas among a free people.

"Let me be specific. There is one feature of the Code which has stimulated a lot of controversy and which bears directly on this question of free speech. It is the provision that no time shall be sold for the discussion of controversial issues except for the sale of time to political parties during election campaigns. There are two reasons for this provision in the Code - time and money. As I pointed out before, there are only twenty-four hours in the day. A newspaper can always publish an extra, a publisher can issue as many books as he pleases, magazines frequently contain supplements. The radio, on the other hand, works within the iron framework of twenty-four hours a day - and actually considerably less than that since some hours are much more popular with listeners than others. Furthermore, if all this limited amount of time were for sale, it could all be bought up by anyone who had the money to do so and who wanted to use that time to set forth his ideas to the exclusion of all other ideas.

"To prevent such a state of affairs from arising, the Code forbids any discussion of controversial issues on paid time and confines these issues entirely to the time that every station must grant, under the law, to sustaining programs. Furthermore, the Code provides that these sustaining programs shall give a fair hearing to more than one side of all controversial issues. To call this procedure censorship is to show one's ignorance of what censorship means. Furthermore, to advocate the sale of time to discussions of controversial issues is to run the risk of turning

over all the commercially sponsored programs to those aspects of controversial subjects that the people with themost money want us to hear. And if there is one thing worse than government censorship, it is censorship by a small wealthy class."

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PUBLIC SERVICE HELD BASIC FACTOR BY FCC

Public service is the basic consideration in licensing broadcast stations, the Federal Communications Commission declared this week in adopting its Findings of Fact, Conclusions and Order, denying without prejudice to the filing of a new application for appropriate facilities, the application of Wendell Mayes, Joe N. Weatherby and William J. Lawson, doing business as Brown County Broadcasting Co., for authority to construct a new radiobroadcast station in Brownwood, Texas, to use the frequency 990 kc., with power of 1 KW, daytime only.

"The Commission's allocation plan", it explained, "is not an attempt arbitrarily to limit the broadcasting facilities of any community. It is a carefully devised plan, based on experience, to attain the best and most comprehensive service possible for the greatest number of listeners.

"The applicant proposes a station to provide regional service and to be located in a comparatively small community to serve that community and its trade area. If the application is granted Commission Rule 3.25(a) precludes a later expansion of service to include nighttime operations. Under the allocation plan a community of the size here involved is normally provided with a local or regional station assignment. Such an assignment here, if feasible, could provide primary service to Brownwood and to contiguous rural areas both day and night. It may be pointed out that while a local station or a regional station of one kilowatt would not provide a primary signal throughout the trade area, neither would the assignment here requested serve that entire area.

"It is recognized that under some circumstances it may be necessary to depart from the allocation plan in order to provide primary service to some communities. Class I stations are designed for use in rendering service to large numbers of people over extensive areas. The record is inadequate here as to the propriety or need for operation on a channel occuped by Class I stations. The record fails to show the facts regarding interference of any nighttime service with the present secondary service of Station WBZ, Class I station on the frequency requested. The record also lacks evidence that an assignment is not feasible to a regional frequency which might offer a possibility of night service at a later date to the inhabitants of Brownwood and its environs. Applicants possibly could have established the feasibility of a station on a regional frequency. The ultimate and basic criterion of a decision is neither the desire of the applicant nor the provisions of the

Commission's allocation plan, but is rather the benefit to the public to be served and the public generally. If some license is to be issued, there is no apparent reason why Brownwood should be deprived of the possibility of local full time service. Such deprivation would be contrary to the interests of Brownwood. No factors are shown in the record here which indicate that a departure from the plan is either necessary, or justified or in the interest of the community. On the record, the Commission cannot find that public interest, convenience and necessity will be served by the granting of this application."

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NEW U.S. EDUCATIONAL PROGRAM SCHEDULED

Commissioner of Education J. W. Studebaker last week announced that a new series of dramatized educational radio programs showing the part women have played and are playing in every phase of American life will soon be broadcast under the sponsorship of the U. S. Office of Education. Broadcasts will feature lives of "unsung heroines" as well as contributions of famous women of the Nation.

Titled "Gallant American Women", the half-hour radio dramas will be heard at 2:00 EST every Tuesday afternoon, beginning October 31, over the National Broadcasting Company's Blue Network and affiliated stations. This series will be the twelfth coast-to-coast network program of the Radio Division, U. S. Office of Education, and will be based on 5 years' experience of the Division. The broadcasts will be a continuation of 13 programs aired this Summer under the name "Women in the Making of America".

"Gallant American Women" will be sponsored by the Office of Education and the Women's Division of the National Broadcasting Company, in cooperation with the Work Projects Administration. Numerous women's groups are contributing to the development of the series, among them the General Federation of Women's Clubs, National Council of Women, American Association of University Women, National League of Women Voters, Associated Country Women of the World, American Home Economics Association, Women's Trade Union League, and the National Consumer's League.

The first program of the series was entitled "These Freedoms", and dramatized the roles women have played in the struggle for freedom of worship, assembly and speech, and other civil liberties.

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## FINCH GETS PATENT ON COLOR TRANSMISSION DEVICE

William G. H. Finch, President of Finch Telecommunications, Inc., received a patent last week on his device for electrical transmission of color picture. Mr. Finch's patent (No. 2,177,247) explains that when color prints are sent separately by wire, any misalignment or inaccuracy occurring during transmission causes color streaks and distortions when they are superimposed to form the final print.

"The color reproductions produced by my present invention bear very fine detail, and substantially all traces of streaks and the scanning lines which make up the picture are toned out so as to be unnoticeable," Mr. Finch explains in his patent claim. "A small three-dimensional effect occurs in the final colored picture, due to some extent to the superposition of the three translucent colored prints to form a substantial thickness. The fine detail of the color facsimile permits enlargement thereof to a much greater extent as compared to ordinary black-white facsimiles, since scanning lines and extraneous marks are rendered unnoticeable.

"Newspaper services are enabled by my present invention to economically transmit to remotely scattered plants of their organization comic strips, colored advertisements and colored feature supplements for newspapers, colored copy for magazines, and for other purposes. The transmission of such pictures may be readily carried out over a telephone line without physical interconnection thereto, and using conventional black-white facsimile systems. The three colored prints composing the colored picture may be received directly upon the sensitive film or may be directly engraved upon printing plates for the presses."

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## TELEPHONE TELEVISION COMMERCIAL IN GERMANY

Several television telephone stations have been installed in Germany on a more or less commercial basis, according to the U. S. Bureau of Foreign and Domestic Commerce. In Berlin there are four such stations and from any of these it is possible to connect with either of the other three Berlin stations or by long distance to Leipzig, Nuremberg and Munich, the report stated.

Town calls in Berlin can be made for 0.50 marks (prewar value of mark about (US $0.40), while calls to Leipzig are 3 marks, Berlin to Nuremberg 4.20 marks, and Berlin to Munich 4.80 marks. If the party called has to be notified to report to the television telephone station by the post office, there is an additional charge of 0.40 marks for calls within Berlin, and 0.50, 0.70 and 0.80 marks, respectively, for long distance calls. Hours of service are from 8 A.M. to 8 P.M. daily.

While this system is still operating on an experimental basis only, a demonstration was sufficient to prove that wonderful progress has been made along this line, the American Commercial Attache at Berlin stated.

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## RADIO TELEGRAPH REGULATIONS STREAMLINED

Simplification of rules and regulations governing the licensing of radio companies handling public messages was announced by the Federal Communications Commission this week. Under the new streamlined system of licensing, effective December 1, 1939, less than 100 licenses will be able to take care of the public service now performed by nearly 500 licensees.

Heretofore, it has been the policy to issue a separate license for each frequency used in international service and regard each such license as a separate station. This necessitated the issuance of as many as sixty separate licenses for one transmitting location.

Under the new rules, only one license will be issued for any given transmitting location of this type of common carrier. This license will specify all of the frequencies and transmitters heretofore authorized on a number of licenses, and will permit communication to any point now designated in outstanding licenses.

The new system of licensing will give flexibility of operation and handling of such messages. The carriers will no longer be required to submit routine applications which are necessitated by seasonal changes and vagaries of radio-transmission which occur during the normal license period.

Other changes in the rules include the deletion of those rules defining primary and secondary communication which become obsolete under the improved system of licensing, submission of a quarterly report of the volume of traffic transmitted and received from any point of communication, and hours of use of all frequencies.

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## FCC WATCHING AMATEURS, F.D.R. SAYS

President Roosevelt disclosed this week that he has discussed with Chairman James L. Fly, of the Federal Communications Commission, plans for preventing belligerent nations from using short-wave radio stations in this country to disseminate secret information.

The FCC, he told his press conference, is checking amateur stations to prevent this country being used as a base of operations by any nation at war. This, he said, is as important an activity as any other phase of a strict neutrality program.

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# TRAVELERS CORPORATE TRANSFER AGAIN DENIED

The Travelers Broadcasting Service Corp., of Hartford, Conn., was denied this week permission to effect an intercorporate transfer involving its radio holdings. The action, which was a reaffirmation of a previous denial, was taken by the Federal Communications Commission after a rehearing.

The Travelers Broadcasting Service Corporation and the Travelers Broadcasting Company had jointly requested the Commission's consent to assignment of license of radiobroadcast station WTIC, the short-wave stations W1XEH, W1XLU, W1XO, W1XT, from The Travelers Broadcasting Service Corporation to the Travelers Broadcasting Company.

After hearing before an Examiner and oral argument before the Commission, on November 1, 1938, the Commission denied the application. A petition for rehearing was filed requesting the Commission to set aside its decision and to reconsider and grant the application on the basis of arguments set forth in the petition.

Applicants contended that the benefits to be derived from the transfer are summarized somewhat as follows:

1. All physical properties connected with broadcasting will be owned by the same company which holds the license.

2. The proposed licensee will have a larger and stronger capitalization.

3. The proposed licensee will have broader corporate powers with which to develop the radio art.

Taking up the foregoing in order, the Commission finds:

The <u>first</u> purpose can be accomplished by a simple form of conveyance to the present licensee.

The <u>second</u> point is not persuasive since the present licensee will surrender its present cash balance of $100,000 to the Insurance Company as a "liquidating dividend". The total authorized capital stock of the new corporation is the same amount, as shown by the charter, while the application itself and the affidavit of C. W. Baker (Treasurer of the companies) attached to the charter states that only $50,000 in amount is planned to be issued. Were it to be assumed in any case that the cash position of the licensee would be improved by the assignment, this again could be accomplished by a simple arrangement with the present licensee.

The <u>third</u> point, the need for broader corporate powers is not readily apparent in the light of the broad experimental activities of the station heretofore. Assuming this as a major purpose, however, it can readily be accomplished by an amendment of the charter of the present licensee.

Chairman Fly and Commissioner Payne did not participate; Commissioner Craven dissented.

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## RADIO MAY MOVE TO FRONT LINE TRENCHES

Diplomatic negotiations now under way in Paris may result in the placement of radio commentators at the Maginot Line alongside the newspaper men, according to the State Department.

Ambassador William C. Bullitt has informed Secretary Hull that the French Ministry of Information is considering a proposal that radio be placed on a par with the press in covering the western front. All indications, he said, are that the request will be granted.

The only fly in the ointment, it now appears, is that the western front appears to be quieter than a side street in the National Capital and may stay that way all Winter.

Harry C. Butcher, CBS Vice-President, originally took the matter up with Mr. Bullitt via the State Department and authority was forthcoming for only NBC and CBS to dispatch correspondents to the front. This was with the understanding that MBS also would be protected. Secretary Hull, however, pursued the matter with the result that dispensation is now considered virtually assured for all three networks.

While details have not yet been forthcoming, it is hardly expected that actual pickups will be made from the front but that the network commentators will wire their dispatches to Paris and London from the Maginot Line.

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## PATENT GRANTED FOR RADIO-CONTROLLED BOMBER

A remote-control system for guiding airplanes and releasing their bombs by radio was patented this week in Washington. The patent was awarded to Joseph B. Walker of Hollywood, and it reveals that one-third is assigned to Frank Capra, movie producer, and another third to Sheldon K Johnson, both of Los Angeles County.

With the invention, "pilots" on the ground behind their own lines could steer the radio-controlled planes by playing on a "typewriter", and also release its cargo of bombs when it had reached its objective. A feature of the invention is that garbled or scrambled radio impulses are used to control the craft. By garbling the impulses, interference by enemy radios is overcome, according to the inventor.

At the ground station is a radio transmitter. Included in the transmitter is a bank of keys corresponding to the letters of the alphabet. By striking various keys different types of impulses are set up. The impulses go to a radio transmitter. Here they are garbled and then broadcast. On the radio-controlled planes is a receiving set. It picks up the garbled impulses, unscrambles them so that the impulse which, for example, controls the motor for operating the rudder and ailerons, goes to the motor, and the impulse for controlling the catch that releases the bombs goes to the magnet that opens the catch.

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## TRADE NOTES

Gross billings for time on the Columbia network --prior to deductions for agency commissions and time discounts to sponsors-- totaled $3,366,654, during October, 1939. The October figure brings the ten-month cumulative total for 1939 to $27,532,088.

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A secret election by employees of the Camden plant of the RCA Manufacturing Company was ordered this week by the National Labor Relations Board to determine whether a majority favors the American Federation of Labor or the Congress of Industrial Organizations as collective bargaining agent. The plant is operating under a contract with a local of the C.I.O.'s United Electrical Radio and Machine Workers Union of America, established there since a violent strike in the Summer of 1936.

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The third Byrd Antarctic expedition will not be without mail from home during its long stay in Little America, for arrangements have been made whereby General Electric's powerful short-wave transmitter in Schenectady will again send letters and messages from friends and relatives, just as was done on the two previous expeditions to the Antarctic.

This mailbag service to Admiral Byrd and his men will be inaugurated on Friday night, December 8, by international broadcast station WGEO, formerly W2XAF, operating on 31.48 meters or 9,530 kilocycles, and will continue every two weeks until the expedition returns. The time will be 11 to 11:45 p.m., EST, which, because of the difference in time, will be 4 to 4:45 in the afternoon at Little America.

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Effective January 1, 1940, Station WTMA, Charleston, S.C., will become affiliated with the National Broadcasting Co., replacing Station WCSC in the same city. WTMA broadcasts with 250 watts power on a frequency of 1210 kc., and is licensed for unlimited time. It is operated by the Atlantic Coast Broadcasting Company, owned by Y. W. Scarborough and J. W. Orvin. The station will be affiliated with the NBC-Southeastern Group on an EST schedule.

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Radio Station WJW, Akron, said this week that a weekly "voice of labor" program was canceled after "authorization" by the National Association of Broadcasters. Sherman H. Dalrymple, President of the United Rubber Workers (C.I.).), on behalf of the Akron Industrial Council as sponsors of the program, attacked the cancellation as "an unwarranted and dictatorial invasion of our rights as citizens" and appealed to the Federal Communications Commission. The C.I.O. paid WJW $17 for the fifteen-minute program.

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## PEACE NOTES

## ZENITH PASSES 12,500 SET DAILY OUTPUT

Zenith Radio Corporation has passed a production of 12,500 radio receivers per day, according to Commdr. E. F. McDonald, Jr., President.

"This is a mass production record which we have been gradually building up to and has never before been equalled in the history of radio manufacturing", he said. "October just finished represented the largest number of radio receivers ever shipped by Zenith in a single month. Even with this enormous production we will be unable to fill our back orders by December 1st. Because of the European situation the interest in and demand for short-wave receivers to listen to Europe direct is increasing daily."

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## "CITY OF FLINT" CARRIED WINCHARGERS, CLAIM SHOWS

Composition of part of the cargo carried by the "City of Flint" was disclosed by Commander E. F. McDonald, Jr., President of Wincharger Corporation, Sioux City, Iowa, that a claim for insurance on a large consignment of winchargers to the Irish Free State had just been received. This claim came in the form of a cable from Kelly & Shield, Dublin, Irish Free State representative.

The winchargers aboard the "City of Flint", which are electric generators equipped with wind propellers used to make electricity from the wind where power lines are not available, were destined for installation in air raid shelters throughout the neutral country of Eire, in order to assure a local source of electric light in case power stations are put out of commission. This type of illumination is imperative in air raid shelters because candles, gas, and open flame lamps consume valuable oxygen which is not the case with electricity.

These wind driven electric generators are extensively used by the United States Forestry Division, the United States Lighthouse Service, the Indian Service - Department of Interior, Civilian Conservation Corps and farmers generally in unelectrified areas where power lines have not penetrated. Their use in air raid shelter illumination is a new development.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF NOVEMBER 7, 1939.



No. 1172

November 7, 1939.

SHEPARD STICKS BY NAB; SEVEN STATIONS QUIT

With John Shepard, III, owner of the Yankee and Colonial Networks, pledged not to sell radio time to Rev. Charles E. Coughlin, officials of the National Association of Broadcasters returned to Washington this week from the Directors meeting in Chicago more confident of industry support of the Code ban on sponsored controversial broadcasts.

The NAB issued a statement attributed to Mr. Shepard stating that he would give time to Father Coughlin but would no longer sell him the time, thus coming within the provisions of the Code. As Mr. Shepard's Colonial Network forms the nucleus of the Coughlin network, NAB officials felt that the split will not be as serious as at first feared.

Four more stations, however, resigned because of the NAB Code. Ralph B. Atlass, of Chicago, withdrew Station WIND, according to the NAB and Gene T. Dyer, of Chicago, took out Stations WCBD and WSBC. A fourth Texas network station also resigned under Elliott Roosevelt's influence.

Meanwhile, Edgar Bill, Chairman of the Code Maintenance Committee, came to the defense of the Code in a radio address made from his home station at Peoria, Ill. The Code, he insisted, "far from curbing freedom of speech" actually "promotes freedom of speech". The policy of restricting controversial broadcasts to sustaining programs, he said, has been tested for several years on the major networks.

"How does it work?" Mr. Bill, President of WMBD, asked. "Well, during the recent discussion of the arms embargo repeal, this network (CBS) gave time for eighteen talks for repeal, twenty against repeal and three non-partisan. The amount of time was four hours and thirty-five minutes each, both for and against repeal and forty minutes for the non-partisan speakers. During the Supreme Court battle, this network gave time for twenty-one speakers on each side of the question, or a total of forty-two speakers. Last Fall this network gave time for a series called 'Political Party Addresses'. Six Democrats and six Republicans each had periods of free time.

"One of the best examples of this policy is the present series of discussions of our Code. The facilities of a great network and its stations were turned over free last Sunday at this time to David Lawrence who spoke against the policies of the very stations who were carrying his voice. The Code did not censor Mr. Lawrence nor curbe his freedom of speech. Let me ask whether

David Lawrence's newspaper, 'The United States News', has followed the example of radio and printed both sides of the Code controversy. Mr. Lawrence devoted the entire back page of his paper October 16th to an editorial against the Code. Would he, following radio's example, give the same page to an editorial in favor of the Code?

"On our own station here in Peoria, we have followed the same policy of free time for controversial discussions for about two years. A good example of how it worked came about during a jurisdictional labor dispute last Spring when both parties used equal time to present their cases to the public. A year ago, our town was divided on the question of introducing military training in the high schools. An equal number of speakers for both sides presented their arguments over our station.

"Far from curbing freedom of speech, we have learned that this policy promotes freedom of speech. It also brings more persons to the microphone, whatever their views may be. It gives the listener a chance to hear both sides of every question and then puts upon him the responsibility of making up his own mind.

"Some one has said that radio stations cannot afford to give away time for such purposes and that freedom of speech would thereby be curbed. Of course, that is not true. For years, radio stations have been giving free time for public service. During the European crisis of last September, stations all over the country cleared their commercial program schedules day after day to broadcast special European news. Does the American public need to be reminded of the service performed by radio stations during disasters such as the Ohio Valley and New England floods? Networks and stations have given time freely for the discussions of such questions as the arms embargo repeal. This network alone, as I told you, gave almost ten hours on that subject. I have mentioned only a few instances in which broadcasters found public service more important than making money. There are many more, certainly enough to prove that the radio industry can, as a public service, afford to give rather than sell time for the discussion of public controversial issues."

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RADIOS NAMED IN U.S.-VENEZUELA TRADE TREATY

Concessions in the importation of American-made radio equipment are included in the reciprocal trade agreement signed this week between Venezuela and the United States, according to the State Department.

The trade pact will become effective December 16th and is the eleventh of such agreements to be reached between this country and other American Republics.

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# MUSICIANS ASK ANOTHER BOOST FROM BROADCASTERS

Broadcasters, bothered with code and copyright difficulties, were given something else to worry about late last week as the American Federation of Musicians informed the Independent Radio Network Affiliates that it expects a 50 percent increase in revenue from radio in 1940.

The present contract between the AFM and IRNA will expire January 17, 1940. Representatives of the two groups held their first conference in New York last week to open negotiations for a new agreement.

During the conference, Joseph N. Weber, President of the AFM and Chairman of its International Executive Board, notified the broadcasters that the position of the Federation is as follows:

"(a) In 1937, the Federation required the network affiliates (including network owned and operated stations but not including network key stations) to increase their annual expenditure for staff musicians by an additional sum of $1,500,000, thereby bringing the gross annual expenditure up to not less than three million dollars. This has been carried out under the plan of settlement during the two years beginning January 17, 1938.

"Upon the expiration of the present arrangement, January 17, 1940, the Federation will require that this annual expenditure be increased by a further sum of $1,500,000 per annum, bringing the gross expenditure of the affiliates as a group for staff musicians up to the sum of not less than $4,500,000 per annum.

"(b) In 1937, the Federation required that the annual expenditure of the three national networks in all their key stations in New York, Chicago and Los Angeles be increased by $60,000 per annum each for staff musicians and this arrangement has been carried out in the two years since the effective date of the national plan of settlement, January 17, 1938. The Federation will require that this increased expenditure be doubled after the expiration of the present arrangement on January 17, 1940, that is, that all of the key stations of the three national networks, in New York, Chicago and Los Angeles, be equivalent to $120,000 per annum for each station in excess of the amount that was being spent prior to 1938.

"(c) The Federation will deal separately with the independent non-affiliated stations and its demands from such stations were not communicated to those participating in last week's conference."

The representatives of IRNA and the networks were not empowered to give the Federation any reply to these demands.

The Executive Committee of IRNA will promptly communicate with all affiliates in order to obtain facts and figures with which to go back to the Federation for further conference and negotiation.

The Federation notified the IRNA Committee that it should obtain the necessary responses from the affiliates with sufficient promptness to enable the Committee to meet again with the Federation Executive Board on November 20, 1939, the date fixed for the next conference.

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## RADIO EXPORTS RISE AND FALL IN SEPTEMBER

Both increases and decreases were noted in United States radio equipment exports during September, the Electrical Division of the Department of Commerce reported this week. Shipments of transmitting sets, tubes and parts declined considerably from $310,585 in August to $197,155 during September; a gratifying increase was registered in radio receiving sets with a new high level of $1,033,200 compared with the preceding month's total of $802,154; exports of radio receiving tubes also attained a peak of $295,120 in September, having improved from the August total of $258,657; all the remaining radio classes decreased, receiving set components from $429,067 to $402,780, loudspeakers from $47,229 to $31,066 and non-specified receiving set accessories from $46,622 to $36,325.

Exports of electrical equipment generally continued to decrease during September when foreign shipments aggregated $8,625,058, a decline of 6.5 percent, or $598,598, from the August total of $9,223,656.

The September total was well above the figure of $7,924,943 recorded during the corresponding month of 1938.

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## RADIOS AMONG NOISEMAKERS THAT ANNOY HOTEL GUESTS

Radios and commercial loudspeaking systems are among the twenty noisemakers that annoy guests most, according to the New York City Hotel Association.

The list, based on a survey among member hotels, includes: police radio cars, radios in taxis, other radios, phonographs and amusement instruments, loudspeakers or other devices to attract attention, and mechanical loudspeakers for advertising.

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## WLW CASE LOSES LAST APPEAL FOR SUPER-POWER

Efforts of the Crosley Corporation, Cincinnati, Ohio, to regain its experimental permit for super-power operation by court order were balked this week when the U. S. Supreme Court refused to review the decision of the Court of Appeals upholding the action of the Federal Communications Commission.

Since being denied a renewal of its 500 KW license, the Crosley Corporation has sought to reverse the Commission's decision through litigation.

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## WORLD SERIES BASIS FOR NEW MONOPOLY INQUIRY

Although the 1939 baseball season is now history, the Federal Communications Commission is threatening to delve into the broadcasting of the world series games and find out why only the Mutual Broadcasting System carried the broadcasts.

Letters have been sent to broadcast licensees throughout the country asking whether they broadcast the World Series games, whether an opportunity was afforded to them to be broadcast, and, if it was, was any effort made by any person or organization to prevent them from serving the series to their listeners.

The information is to be returned to the Commission not later than November 15th, when the Monopoly Committee will make a study of the data. If information already in its hands proves to be true, the group will reopen the hearings to get sworn testimony, it was indicated.

This action, it was said, was a direct result of the Mutual Broadcasting System's obtaining an exclusive contract for broadcasting the series. Information now before the Monopoly Committee, it was learned, is that Mutual offered this service to independent stations as well as affiliates of other chains. The Committee also is said to be in possession of information that some stations accepted the offer and even broadcast the first day's series, but then were threatened with a cancelling of their chain contracts if they continued, and so desisted.

It is contended in the Commission that such action, if the subsequent investigation proves this to be true, violates the public interest requirements of the Commission, because it prohibits a station from fulfilling a demand for opportunity to hear an event over the radio. It was pointed out that the World Series will furnish perhaps, the best test of the right of chains, through their exclusive contracts, to prevent their affiliates from serving programs of nation-wide interest, even though furnished by another facility.

The letter, which went to all of the stations, asked the following questions:

"Were the World Series baseball games of October, 1939, broadcast over your station?

"If such broadcasts were presented over your station, state (a) the substance of any arrangement or agreement by which such programs were made available to you, and (b) whether any attempt was made by any person or organization to influence or persuade you against broadcasting the programs.

"If broadcasts of the World Series were not presented over your station, state (a) whether the programs were offered to you, but refused by you because of an agreement with a network or other organizations; (b) whether you were influenced by other persons or organizations to refuse the programs, or were prevented from accepting them, and (c) whether an attempt was made by you to obtain the programs, and if so, why you were unable to make arrangements to obtain them."

As soon as the answers are received by the Commission, they will be turned over to the legal staff which has been working on the monopoly investigation. It was indicated that even if the reports do not bear out previous information, if any stations appear to have side-stepped the question, their representatives will be called to Washington and placed under oath. The questionnaire does not call for sworn replies.

It is expected the investigation will be concluded in time to be included in the report on monopoly. The inquiry is to be pressed forward as soon as the information is in.

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## FCC HEARING ROOM TO BE STREAMLINED

The makeshift facilities in the hearing room of the Federal Communications Commission are to be streamlined and dignified under the direction of Chairman James Lawrence Fly.

Proceedings before the Commission, due to lack of facilities, have taken on a more or less informal appearance. The hearing room has only five desks, which fill one side of the room. But since there are seven Commissioners, two had to sit on the sidelines. Spectators were allowed to crowd around the tables set aside for the attorneys.

Workmen now are building a semi-circular bench in one end of the room which will be two steps higher than the floor of the hearing room. It will be something like the benches used in courtrooms and will have individual lights for the Commissioners as well as other facilities. The acoustics of the room also are to be improved by the placing of sound-proofing material on the ceiling.

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"If such broadcasts were presented over your station, state (a) the nature of any arrangement or agreement by which such programs were made available to you, and (b) whether any attempt was made by any person or organization to influence or persuade you against broadcasting the programs.

"If broadcasts of the World Series games were not presented over your station, state (a) whether the programs were offered to you, but refused by you because of an agreement with a rival or other organization; (b) whether you were influenced by other persons or organizations to refuse the programs, or were prevented from accepting them, and (c) whether an attempt was made by you to obtain the programs, and if so, why you were unable to make arrangements to obtain them."

As soon as the answers are received by the Commission, they will be turned over to the Legal staff which has been busy on the monopoly investigation. It was intimated that even if the answers do not bear out previous information, if any, there appear to have already been enough the matter, which will be called to Washington and placed under oath. The questionnaire does not call for mere replies.

It is expected the investigation will be conducted in time to be included in the report on monopoly. The inquiry is to be pushed forward as soon as the information is in.

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FOR IMMEDIATE HOLD TO BY STATE EDITORS

The essential criticism in the hearing from of the Federal Communications Commission was to be presented and criticized under the direction of Chairman Frank Lawrence Pick.

Proceedings before the Commission, due to lack of quorum, have taken on a more or less informal appearance. The hearing room has only five chairs, while 100 are seen in the room. All sides have been seated therein, but had to sit in the aisles. Proceedings were adjourned a dozen times to allow out-of-the-way for the witnesses.

"Because you are children's entertainment, it seems to me of the room which will be two stories below the floor of the hearing room. It will be more fitting, like the children, and surroundings and will have indirect lights for the Commission to be well as other facilities. The association of the room will be to be lowered or the chairs or arrangement made to the ceiling."

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# FIRST "STATICLESS" NETWORK PLANNED BY SHEPARD

Establishment of the first network of "staticless" radio broadcasting is foreseen in the application which has just been made by John Shepard,III, President of the Yankee Network, for permission to operate two frequency-modulated broadcast stations at the summit of Mt. Washington in New Hampshire and at Alpine, N. J.

The Yankee Network based its application on the contention that frequency-modulated radiocasting has long since passed out of the experimental stage and asked that stations using this method of transmission be authorized for operation as regular radiocast stations.

Eighteen stations, nine licensed to be on the air and nine under construction now, are authorized by the Federal Communications Commission to use "special" emission or radio frequency modulation based upon the Armstrong system of staticless radio.

Those on the air include: Edwin H. Armstrong at Alpine, N. J.; General Electric, Schenectady and Albany; Head of the Lakes Broadcasting Company, Superior, Wis.; John V. L. Hogan, New York; C. M. Jansky, Jr., District of Columbia; WDRC (W1XPW) Meriden, Conn.; Westinghouse Electric and Manufacturing Company, Springfield, Mass., and the Yankee Network, Paxton, Mass.

Stations listed by the FCC as "special, construction permits only" are Bamberger Broadcasting Service, Newark, N. J.; The Journal Company, Milwaukee, Wis.; National Broadcasting Company, New York; Stromberg Carlson, Rochester, N. Y.; Westinghouse Electric and Manufacturing Company, Boston, Mass.; WHEC,Inc., Rochester, N. Y.; Worcester Telegram Publishing Company, Holden, Mass.; Travelers Broadcasting Service Corporation, Avon, Conn.; and McNary & Chambers, Bethesda, Md. The majority of these transmitters are to be rated at 1 kilowatt.

Parallel with the Yankee Network experiments in frequency modulation is work being done by the General Electric Company in Schenectady. After having experimented for a year or more with a station of this type atop the State Office Building in Albany, the company decided to build a frequency-modulation transmitter as part of its new television station in the Helderbergs. This station is expected to be ready for operation by the first of the year.

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## "PRO-NAZI" STATIONS REPORTED NEAR BORDER

The Federal Communications Commission is investigating reports that a group of unlicensed radio stations are operating in this country near the Mexican border, and are suspected of communicating with German submarines in the Gulf of Mexico and Caribbean Sea. The reports are not the first regarding "outlaw" stations since the European war began. However, none of the stations have yet been found. FCC officials are skeptical of their authenticity.

If the complaints are true, these "pirate transmitters" may be prosecuted as the first radio violators of the neutrality law. German submarines have been rumored in both Gulf and Caribbean waters.

The report of radio operations was received as the Commission prepared to expand its policing of the air waves to remote sections of the Nation, through establishment of several mobile monitor stations to check all channels.

These portable radio stations would augment seven now maintained over the Nation.

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## RADIO AMATEURS HANDLE MESSAGES AFTER VA. SNOW

Radio amateurs and road workers did yoeman duty in the heavy snow-storm which blanketed the Shenandoah and east-side valleys west of the Blue Ridge the past week-end, according to an Associated Press report.

The parts they played in relieving emergency conditions became more apparent as a warming sun began to melt the snow, which fell 2 feet deep.

The storm cut the Norfolk & Western's communication lines into Shenandoah. E. E. Emswiler, Jr., of Roanoke, and Charles C. Morrison, of Shenandoah, offered their radio services to the Norfolk & Western's dispatcher, as well as to telegraph companies.

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## TRADE NOTES

Appointment of J. M. Greene as Circulation Manager, and H. M Beville, Jr., as Research Manager of the National Broadcasting Company, was announced last week by Ken R. Dyke, NBC Director of National Sales Promotion. Both appointments, Mr. Dyke stated, are effective immediately.

In his new post, Mr. Greene is charged with network and station circulation measurements, and their application to network sales. The post is the first of that nature to be established by a network.. Mr. Beville will supervise all sales research and statistical activities for NBC. E P. H. James continues as NBC Advertising Manager, in charge of all advertising and direct mail in the interest of network sales.

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World Radio Market series of the Department of Commerce this week included reports on Portugal, Portuguese Guinea, New Zealand, Canada (supplement), Panama, and New Zealand (supplement).

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The Mutual Broadcasting System's billings for the month of October, 1939, soared to $428,221, representing an increase of 23.1 percent over October, 1938, when billings totalled $347,771. This marked the eighteenth consecutive month that Mutual network billings have shown an increase over the corresponding month of the year before. The 10-month cumulative total also showed a large gain over a corresponding period in 1938. The 10-month cumulative for 1939 amounted to $2,685,038, an increase of 20.8 percent compared with the cumulative total for corresponding months in 1938, which amounted to $2,222,026.

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Gross client expenditures for NBC Network facilities registered another increase in October, up 27.3% over September and 11.8% over the corresponding month in 1938. Total gross billings last month $4,219,253 compared with $3,315,307 in September and $3,773,964 in October, 1938.

Gross client expenditures for NBC-Blue Network facilities in October were $898,125 compared with $666,415 in September, an increase of 34.8%. For NBC-Red Network facilities, gross client expenditures in October were $3,321,128 against $2,648,892 during the previous month, an increase of 25.4%.

For the ten-month period ending October 31, gross client expenditures for NBC Network facilities totalled $36,729,622 while for the same period in 1938 the total was $33,676,688. The total for the first ten months of this year represents an increase of 9.1% over the corresponding period a year ago.

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## FCC PROPOSES U.S. PAY HIGHER TELEGRAPH TOLLS

The Federal Communications Commission recommended in a report yesterday (November 6) that the rates paid by the Federal Government for domestic telegraph messages be increased from 40 percent of the charges applicable to private commercial firms to 60 percent of such charges.

The increase would become effective January 1, unless delayed by challenges filed in the next 20 days, and would continue in effect for the rest of the fiscal year ending on June 30, 1940.

The Government is one of the largest, if not the largest, single customer of the Western Union and Postal Telegraph companies, the Commission said. Official messages handled by Western Union in 1937 amounted to 5.2 percent of the total domestic messages handled by that company, while those Government messages produced only 1.5 percent of the revenue from all the company's domestic traffic. The Commission found that by reason of the 60 percent spread between the Government rates and the commercial rate, together with the narrow spread between the total revenues from telegraph service and the total cost of such service, the Government was not paying a proportionate share of the cost. Minimum charges now effective would not be changed.

Sustaining the petition for an increase filed by the telegraph companies more than a year ago, namely in May 1938, the petitions of the Postal Telegraph-Cable Company, the Western Union Telegraph Company, and Mackay Radio and Telegraph Companies of California and of Delaware, which were for a change to the full commercial rate, subsequently amended to a request for any increase deemed just and proper by the Commission, the Commission found that the Government is not paying enough for its telegraph service.

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## RCA REPORTS QUARTERLY PROFIT INCREASE

Radio Corporation of America and subsidiaries, for the quarter ended September 30, reported this week net income of $1,894,224 after charges, equal after preferred stock dividend requirements, to around 8 cents a share on common stock. This compared with net income of $1,616,449, or about 6 cents a common share in the like 1939 quarter.

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## RADIO MAKING NOTABLE PROGRESS IN ITALY, U.S. LEARNS

Italy's radio-manufacturing industry has made notable progress in the last few years, according to a report to the Department of Commerce from Assistant American Commercial Attache N. P. Hooper, Rome.

Production during the current year is estimated in excess of 400 million lire ($20,000,000), an increase of 50 million lire ($2,500,000) as compared with 1938. Of the 1939 total, 180 million lire ($9,000,000) represented receiving sets and the remainder scientific, educational and industrial radio apparatus.

The manufacture of television sets and apparatus in Italy has been receiving considerable attention during the current year. While details are not available, it is reported that a number of interesting television models have been produced.

Italy now has thirty-five broadcasting stations operating, of which twelve are short-wave. Official estimates place the aggregate number of receiving sets in the country at 1,100,000. Broadcasting in Italy is under the control of a semi-governmental organization. Owners of receiving sets pay an annual tax of 81 lire (about $4) which permits them to own as many sets as desired. No commercial advertising is broadcast by Italian radio stations.

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## TRUSTEE APPOINTED FOR MAJESTIC CORPORATION

Federal Judge John P. Barnes on Monday, November 6, in Chicago appointed Claude A. Roth, an attorney, as trustee of the Majestic Radio and Television Corporation, under Section 10 of the Chandler Act. His bond was set at $50,000. The firm, which manufactures radio sets, filed a voluntary petition for reorganization under Section 11 of the Chandler Act on October 24. An attorney for creditors asked for a receiver next day.

Counsel for the company did not admit insolvency but agreed to transfer proceedings to Section 10 to avoid litigation with the Securities and Exchange Commission, which contended the action should not have been filed under Section 11.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF NOVEMBER 10, 1939



No. 1173

FCC TO ASK CONGRESS FOR SEVEN MOBILE MONITORS

Determined to prevent, if possible, the unlawful use of any of this country's ether waves by belligerents or their agents, the Federal Communications Commission is preparing to enlarge its monitoring activities.

An appropriation for the purchase of seven mobile monitors will be asked of the next Congress so that a closer check may be made on short-wave stations, especially in the amateur field.

While the Commission has assurance of whole-hearted support from the American Radio Relay League in tracking down any "piracy" on the amateur frequencies, reports of unlawful operations have increased since the outbreak of the European war.

The Radio Relay League has set up a key network of 150 stations to keep constant watch on the air waves and report any irregularities. FCC officials are convinced that the 55,000 amateurs as a whole are loyal and trustworthy citizens, but at the same time they are afraid that unlicensed operators may use their frequencies.

American amateurs have lost many of their foreign communications contacts, meanwhile, due to the "blackout" of their colleagues by governmental edict in practically all European countries.

Radio engineers differ as to the value of amateur radio facilities for international communications, but they admit that they could at least become a nuisance, if not a menace, when in disloyal hands. The clearness of communication between "ham" stations depends upon atmospheric conditions and consequently is not dependable.

FCC officials said that the seven mobile monitors are not needed solely for tracking down "radio spies" but are wanted for the peace-time checking of transmissions as well. They were requested of the last Congress, in fact, but were refused as unnecessary at the time.

Chairman James L. Fly has conferred about the matter of policing the radio waves with President Roosevelt, and it is understood has his sanction in asking for additional facilities.

The President in a recent press conference commented that this work is as important as any in keeping the United States out of war.

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## FCC GRANTS POWER RAISES FOR RELAY STATIONS

The Federal Communications Commission this week authorized an increase in the allowable power for relay broadcast stations operating on certain frequencies in order to provide more dependable service.

"Section 4.25(b) of Rules other than Broadcast, was revised to read as follows:

> "'A relay broadcast station assigned frequencies in Groups D, E, F and G will not be authorized to install equipment or licensed for an output power in excess of 100 watts; provided that before using any frequency in these groups with a power in excess of 25 watts, tests shall be made by the licensee to insure that no objectionable interference will result to the service of any government station, and provided, further, that if the use of any frequency may cause interference then the power shall be reduced to 25 watts or another frequency in the licensed group selected which will not cause objectionable interference.'"

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## NBC SIGNS SPONSOR ON INTERNATIONAL STATION

Inauguration of an international commercial short-wave broadcasting service by the National Broadcasting Company was announced this week by President Lenox R. Lohr.

The first sponsor to be signed is the United Fruit Company, which will present daily quarter-hour evening programs in Spanish over Stations WRCA and WNBI. These programs are designed especially to cover the Central American countries in which the fruit company is extensively interested.

The new service offered by NBC will operate for 16 hours daily. It will cover the 20 Latin American Republics with programs in Spanish, Portuguese and English beginning at 4:00 P.M., and running until 1:00 A.M., EST. In addition there will be made available to advertising sponsors a daytime European program service beginning at 9:00 A.M., and running until 4:00 P.M., EST, in English, French, Italian and German.

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## TELEVISION NET SEEN IN NBC-G.E. TIE-UP

A nationwide television network was foreseen this week when Alfred H. Morton, NBC Vice-President in Charge of Television, announced that the National Broadcasting Company television programs would soon be re-telecast over the experimental station of the General Electric Company near Schenectady.

A radio relay receiver, said Mr. Morton, is now being installed by G.E. engineers near their television transmitter to receive NBC programs, telecast in New York City over Station W2XBS. The distance between the two stations is approximately 130 miles.

"The National Broadcasting Company and the Radio Corporation of America have long been working on ways and means of networking their television programs", said Mr. Morton. "Since it is our earnest desire to make this new service available to an ever-increasing number of persons, we consider networking to be a most important phase of television development.

"For some time past", he continued, "G.E. engineers have been receiving NBC programs at their experimental station, located on Helderberg Mountain near Schenectady, about 130 miles from our transmitter atop the Empire State Building. Technical progress and observations made are discussed with NBC technicians, and G.E. program experts make frequent visits to our Radio City studios to follow NBC progress. An informal arrangement between the National Broadcasting Company and the General Electric Company provides for continued cooperation in the development of television."

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## SCHOOLS TO AID IN U.S. EDUCATION PROGRAM

The Nation's schools and civic and educational agencies have been invited by U. S. Commissioner of Education John W. Studebaker to participate in a Nation-wide discussion on health problems, in connection with six educational radio broadcasts over a coast-to-coast network sponsored by the U. S. Office of Education in cooperation with the U. S. Public Health Service and the Columbia Broadcasting System.

Beginning November 12, and continuing through five Sundays, the U. S. Office of Education will broadcast half-hour programs on conquering our health problems over a network of more than 100 stations of the Columbia Broadcasting System. Broadcasts will be the second group of "correlated" educational programs on the "Democracy in Action" series, from 2:00 to 2:30 P.M., EST. Short series of broadcasts on labor, social security, housing, youth, and other problems will follow. The documented broadcasts on public health are designed to provide a better understanding of the service of Government - National, State and local - in advancing Nation-wide efforts to protect and promote health.

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## NATIONAL SERVICE ABOVE LOCAL, FCC DECIDES

The provision of radio service to the United States on a national basis, rather than the fulfillment of local needs alone, is the goal of the Federal Communications Commission in granting facilities, it was stated in a decision denying an application for a new station.

Explaining the refusal to grant a construction permit to the Thumb Broadcasting Co., Brown City, Mich., the FCC said.

"Based on its experience the Commission has formulated a plan of allocation, which is set out in its Rules and Regulations, for the assignment of frequencies. By the plan it is sought to establish a pattern of radio coverage on a truly national basis. Only in such a manner can the goal of the best and most comprehensive service possible to the greatest number of listeners be carried into effect. The plan makes available 93 channels for three classes of standard broadcast stations, each class of station having a particular function to fulfill. Stations of the local classification are designed to serve small communities or centers of population and the rural areas contiguous thereto; regional stations are designed to serve larger centers of population or metropolitan districts and adjacent rural areas; and clear channel stations are designed to serve large centers of population and vast rural areas.

"The record in the instant case shows that the potential listeners of the proposed station, the inhabitants of Brown City and its vicinity, now receive very comprehensive daytime service from existing stations each of which serves all or part of the area within the service range of the applicant's proposed facilities. These include eleven stations distributed in Michigan among Detroit, Lapeer, Bay City, Flint, Port Huron, Royal Oak and East Lansing, with one station in Canada.

"The normal assignment for any station in an area such as that in which Brown City is located would be a local frequency. It is not clear what a full exploration of this possibility would have developed. Certainly, under the allocation plan, the situation shown in this record does not justify the granting of a regional frequency. Nor do the facts of record with regard to the area involved and the service already being rendered make out a case for a departure from the plan."

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The American Consulate at Tegucigalpa, reports that an executive order has established a strict government censorship of all telephone, telegraph, cable, and radio messages received from or sent to countries engaged in war in Europe and Asia. The censorship also covers radio broadcasts by all Honduran stations. The order states that the censorship was established in order to aid in maintaining Honduran neutral rights and duties in connection with the European conflict.

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## MARITIME SERVICE ASKS NAVAL, AIR SERVICES

The production of radio sets is to the United States in national needs, rather than the civilians of local needs, is the goal of the Federal Communications Commission in setting priorities, it was stated in a decision dropping an allocation for a new station.

Tuckahoe has refused to grant a construction permit for the Tuck Broadcasting Co., Tucson City, Mich., the FCC said.

"Based on the recommendations the Commission has formulated a plan of allocation, which is set out in its Rules and Regulations, for the assignment of frequencies. By the plan it is made to establish a position of radio convenience on a truly national basis. Only in such a manner can the goal of the best and most comprehensive service possible be the greatest number of citizens be served by the plan. The plan makes available 93 channels for various classes of broadcasting stations, each of which having a particular function to fulfill. Stations of the usual commercial type are assigned to serve small communities or centers of population and the rural areas surrounding them; educational stations are designed to serve larger areas of population; stations operating in metropolitan districts and additional rural areas and those operated on a non-commercial basis are designed to serve the needs of population and very rural areas.

"The service in the United States among them the principal stations of the commercial stations. The distribution of frequency and the quality, are specific with comprehensive service from existing stations and to radio service all as part of the area which the service range of the broadcasting stations facilities. There include eleven stations distributed in Michigan, Detroit, Lansing, Ann Arbor, Flint, Port Huron, Bay City and East Lansing, with one station in Ionia.

"The general assignment for any station is on a time, and that is which from the broadcast would be a local frequency, if any other that a full consideration of this consideration is not [illegible]. Certainly, under the allocation plan, the office [illegible] in this region has not justified the granting of a [illegible] frequency. For the [illegible] of wavers will [illegible] [illegible] and the service already being rendered [illegible] [illegible] for a department of the plan.

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The American Division of Transportation, reporting such [illegible] under the [illegible] a method provided economically [illegible] all [illegible], radio, and radio message receivers [illegible] to get to countries [illegible] to see in Europe and Asia. [illegible] radio [illegible] by all Department [illegible]. The order [illegible] the [illegible] and [illegible] [illegible] to [illegible] in [illegible] [illegible] and [illegible] [illegible] with the [illegible] [illegible].

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## FCC DECLINES TO ENTER AKRON LABOR DISPUTE

The Federal Communications Commission has refused to take a hand in the Akron labor dispute involving Station WJW and in so doing has given further aid to the National Association of Broadcasters in the enforcement of their Code.

Replying to a protest from the United Rubber Workers of America, T. J. Slowie, Secretary of the FCC, addressed the following letter to S. H. Dalrymple, President of the Union:

"This will reply to your letter, dated October 28, 1939, in which you protest against the action of Station WJW in cancelling a contract for broadcast time with your Council and stating that it would not permit future broadcasts of 'The Voice of Labor'.

"The adoption of the Code of Ethics by the National Association of Broadcasters does not in any way alter the duties and responsibilities of licensees of radiobroadcast stations under existing law and rules and regulations of the Commission. However, Section 3(h) of the Communications Act of 1934, as amended, provides that persons engaged in radiobroadcasting shall not be deemed common carriers, and licensees of broadcast stations may, therefore, legally refuse to sell time to any particular individual or organization. In view of this fact, the Commission is without power under existing legislation to take any action against Station WJW on the basis of the facts alleged in your letter."

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## McDONALD URGED RADIO BOMBER IN 1930 TO NAVY

The award of a patent last week to Joseph B. Walker, of Hollywood, for a remote control system of guiding airplanes and releasing bombs by radio has recalled that Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, suggested a similar device to Admiral William A. Moffett in 1930.

Writing to Admiral Moffett in April, of that year, Commander McDonald said that Hawk's flight across the country in a glider had started him thinking about the subject.

"Why not start experimenting with radio control of gliders?" he asked. They can be towed to a great altitude and then released and controlled, I believe, more easy by radio than can a torpedo. The next step naturally being to load the glider heavily with a high explosive and guide it into a selected target."

Admiral Moffett replied that he would "have your suggestion looked into and studied to see whether it is practicable or not."

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# RADIO'S ROLE IN WAR NOTED BY WRITERS

The important part radio is playing in the European war, both in this country and abroad, is noted in a new book, "America's Chance of Peace", written by Duncan Airman and Blair Bolles, of Washington, and just published by Doubleday, Doran & Co., Inc., New York City ($1.00).

Discussing the attitude of the United States since the outbreak of the hostilities, the authors wrote:

"The radio chains, which were unborn during the first World War, undertook to make 'every effort consistent with the news itself . . . to avoid horror, suspense and undue excitement', formally promulgating a radio code of wartime behavior in demonstration of their incredulity and impartiality. The National Broadcasting Company, the Columbia Broadcasting System and the Mutual Broadcasting System sent representatives to Washington on September 7 to draw up their code with the 'cooperation' of the United States government in the guise of the Federal Communications Commission. They bound themselves in their war broadcasts not to say 'anything in an effort to influence action or opinion of others one way or the other.'

"Before the code's adoption, in the excited last days of August, when the whole world was wondering whether or when it was going to be shaken, the radios on occasion fed the popular passion with propaganda adjectives which, piled high enough, might have overtopped the Eastwall and brought about a break in the resistance. On the afternoon of September 1, when the war against Poland was about ten hours old, H. V. Kaltenborn, speaking from London for the Columbia system, expressed his views about Hitler - 'unaccountable, changeable, irascible, temperamental'. He recalled that in his speech to the Reichstag making known the German 'drang nach' Poland, Hitler spoke against traitors, and then he remarked:

"'Well, isn't it strange that at a time when war begins the leader who says that he has the German people unanimously behind him must thus emphasize the traitors within Germany? And isn't it also significant that when Germany presents an English official translation over the radio, it leaves out Hitler's mention of the traitors within Germany?'

"This sort of 'ibiter dictum' was forbidden by the code.

"Later in the month of September, Columbia gave two noteworthy demonstrations of its refusal to be snared by propaganda.

"To William L. Shirer, the Columbia System's Berlin correspondent, the German Foreign Office suggested that he visit a camp filled with Polish prisoners so that he could describe to his listeners in America the conditions under which the captured enemies of Germany were living. Shirer turned down the offer.

He suspected that he would be shown a model camp made especially neat and stocked with well-fed prisoners just for the occasion.

"A short while later Mr. Shirer notified his home office that he had arranged a broadcast from a Berlin tavern which was a newspapermen's hangout. He said he had received permission to conduct an ad-lib broadcast for which the correspondents taking part would not have to observe the usual requirement that they first show their scripts to the German censors. Columbia, however, turned down the suggestion. The system thought that the broadcast might create the false impression in the United States that the correspondents were free to write and say what they pleased from Berlin.

"Despite their efforts to be impartial, radio networks have received thousands of letters berating them for putting 'propaganda' on the air. After every news broadcast the telephones in radio stations begin ringing, bringing calls from irate listeners determined that America shall not be pushed from its propaganda resistance."

With regard to the propaganda originating abroad, the writers stated that "the chief direct propaganda medium in the second war is the government-controlled radio, which puts Keokuk in Europe's backyard'.

"The European governments seem to stand in the backyard and shout their messages direct from government to citizen with no middle-man sifter like the correspondent or the commercial radio announcer", they continued. "The British evoke Mr. Keokuk's sympathy by telling him that the men and women in the Anglo-Saxon homeland are going quietly and grimly about their duty of saving the British Empire and civilization (it used to be democracy they were saving until they put the issue on a broadened basis).

"The British broadcasts stress the old bulldog spirit, which is reflected also in the 'color' stories sent from London to the United States by newspaper correspondents after being passed by the censor - 'the populace has accepted the countless wrenchings away from normal peacetime life and habits with admirable good humor and a minimum of grumbling', writes Edward Angly in the New York Herald Tribune.

"The German government, which could not reach America except through its diplomatic and consular agents during the last war, when the British cut the cables, began to address the United States night after night over the radio when the second war came. The Germans adopted a slightly flattering tone, and their message was aimed at convincing the United States that her role was really one of isolation. . . . . .

"The German propaganda toward America of the second war has disclosed much greater intelligence than the first war propaganda. In 1914 and 1915 Ambassador von Bernstorff in

Washington, a man of great charm and popularity among Americans, sought to put across the theme of 'Lehrfreiheit' to the United States. He did succeed in some part in taking the curse off the Belgian propaganda of events, but the German Foreign Office made him accede to heavy-handed power-propaganda schemes, executed by dull old Dr. Dernburg and Franz von Papen, the military attache, whose operations really turned out to be better for England than the most expensive British propaganda in the end. The British, at the first war's close, declared officially that they opened their propaganda campaign in the United States only to combat the German undertakings."

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CUBAN STATION LIST PREPARED BY COMMISSION

Cuba has 77 broadcasting stations, 35 of which are in Havana, a tabulation by the Federal Communications Commission disclosed this week. The listing, together with frequencies, call letters, and power, is available at the offices of the FCC.

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RADIO NEWS COMMENTATORS DRAWING BIG SALARIES

The European war and public interest in international developments have put radio news commentators in the big money along with crooners, swing band leaders, and quiz experts, according to a recent tabulation by Variety.

Weekly income of commentators and newscasters as "estimated or reported", listed by the amusement journal, follow'

Walter Winchell, $5,000; Edwin C. Hill, $3,500; Dorothy Thompson, $2,500; Lowell Thomas, $2,250; H. V. Kaltenborn, $2,000; Gabriel Heatter, $2,000; Elliott Roosevelt, $1,200; Raymond Gram Swing, $1,000; Elmer Davis, $1,000; H. R. Baukage, $850; Fulton Lewis, Jr., $750; Paul Sullivan, $750; Bob Trout, $700; Earl Godwin, $650; Graham MacNamee, $500; Drew Pearson-Robert Allen, each $500.

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## TRADE NOTES

WCSC, Charleston, S. C., has resigned from the National Broadcasting Company Blue and Red networks, and will join the Columbia Broadcasting System, effective January 1, 1940. The station is owned by the South Carolina Broadcasting Company. Operating at 1360 kilocycles with 1,000 watts power day and night, WCSC joins Columbia's Southern Group, bringing the CBS total to 118 stations in 117 cities.

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The Federal Communications Commission this week granted the application of Orville W. Lyerla, Herrin, Ill., for a construction permit authorizing a new radiobroadcast station to operate on the frequency 1310 kc., with power of 100 watts night, 250 watts to local sunset, unlimited time.

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William Winter, Columbia's news analyst at WBT, Charlotte, N. C., has been appointed CBS Regional Educational Director for the South, Sterling Fisher, Network Director of Education, has announced. Mr. Winter will supervise the work of CBS Educational Directors in Southern States and will cooperate with educational leaders in developing Columbia's educational program schedule.

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The Federal Communications Commission this week adopted its proposed findings, which were entered by the Commission on June 6, 1939, and entered its final order granting the application of Thorne Donnelley for a permit to construct a coastal harbor radio telephone station to be located in the vicinity of Mackinac Island, Mich., to operate in the public service on the frequencies 2550 and 2738 kc., with power of 400 watts, unlimited time on A3 emission.

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The Danish Ministry of Public Works through the Mail and Telegraph Department has issued an instruction forbidding amateur radio transmitting. The prohibition has been issued as a result of the Government's strong desire to keep Denmark absolutely neutral. The country has about 450 radio amateurs. They will, as long as the European war lasts, confine their activities to receiving and to scientific and experimental purposes not involving transmissions.

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## VOLUME OF RADIO SALES SEEN AHEAD OF 1937

At the present rate of unit sales, volume on radio sets will not only far exceed 1938 but will surpass the heavy 1937 total, according to estimates in the industry, the New York Times reported this week on its business page. Because of the preponderance of the portable and table models, the average unit price is much smaller than in 1937, however, and dollar volume may fall below the figure for that year. The extensive promotions on sets from $23 to approximately $30 are attracting customers who already have console models but are led to buy the table models because of the phonograph feature.

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## CBS REPORTS PROFIT OF $2.05 A SHARE

The consolidated income statement of the Columbia Broadcasting System, Inc., and subsidiary companies for the nine months ended on September 30, issued this week, showed a net profit of $3,511,224 after expenses, interest, depreciation, Federal income taxes and other charges.

The profit was equivalent to $2.05 each on the 1,709,723 shares of $2.50 par value stock either outstanding on September 30, or to be outstanding upon completion of exchange of old $5 par value stock.

In the corresponding nine months of 1938 Columbia reported a net profit of $2,606,158, or $1.52 a share.

The results do not reflect operations of the Columbia Recording Corporation and its subsidiaries, full ownership of which was acquired this year. The results of the recording corporation, which on the basis of estimates for the first nine months of 1939 do not affect materially consolidated profits, will be included in the consolidated figures at the close of the current year, it was said.

At a meeting of the Board John J. Burns was elected a Director. Mr. Burns was formerly Judge of the Superior Court of Massachusetts, general counsel of the Securities and Exchange Commission and special counsel of the United States Maritime Commission.

Directors also voted a cash dividend of 45 cents a share on the present Class A and Class B stock of $2.50 par value. The dividend is payable on December 8 to holders of record of November 24. Including the current payment, dividends on each class of stock will amount to $1.50 a share for 1939, against $1.25 paid in 1938.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF NOVEMBER 14, 1939



No. 1174

November 14, 1939

LIMITED ADVERTISING, SAFEGUARDS URGED FOR TELEVISION

While insisting that television has not yet emerged from the experimental stage, the Television Committee of the Federal Communications Commission this week recommended liberalization of the rules to set up two classes of visual broadcasting stations, one of which will be permitted to carry advertising to help defray the cost of preparing programs.

Explaining that the "amber light" should precede the "green light" in television development, the Committee, headed by Commander T.A.M. Craven, asserted that the Commission should remove all obstacles to progress in the infant industry but at the same time must safeguard the public from costly over-promotion.

Finally, the FCC Committee, which has been studying the new art since last Spring, suggested that this might be an opportune time for American manufacturers to get a hoothold on future world trade in television while European countries are occupied with war.

The report was the second on television, the first having been submitted last May. It was signed by Commissioners Craven, Norman S. Case and Thad H. Brown. It was divided in three parts, but the second and third sections, which deal with present licensees and applications, were withheld until after the FCC acts on the general policy set forth in Part 1.

Accompanying the report were an allocation table prepared by the Engineering Department and proposed new rules governing television operations.

While retaining the ban on unrestricted sponsorship of television programs, the FCC Committee points out "sponsorship is not prohibited, provided such sponsorship and the program facilities or funds contributed by sponsors are primarily for the purpose of experimental program development".

The Committee notes certain television progress since last May, but feels that a "crucial" stage has been reached. Less than a thousand television receivers have been sold since that time, and nearly all of these are in New York City. To date only seven of the 19 channels available for television have been developed to the point of initial readiness for technical service of any character.

Yet the Committee is of the firm conviction that, while not eager to purchase receivers at this time, "the public does not desire to be deprived of the opportunity to enjoy the benefits

of television when it is ready for public service". It is the Committee's further opinion that progress henceforth "is directly dependent upon the development of public interest in television as a broadcast service, and that such interest can only be developed through the broadcast of programs that have a high public appeal".

Accordingly, the Committee makes specific recommendations which embrace:

1. Greater public participation in experimental operation.
2. Construction of more stations by properly qualified applicants.
3. Elimination of any regulation which interferes with proper business economic processes.
4. Adoption of a license policy for television broadcasters.
5. Allocation of the seven lower frequency channels as follows: 3 channels to metropolitan districts in excess of 1,000,000 population; 2 channels to areas of between 50,000 and 1,000,000, and 1 channel for districts of less than 50,000.
6. Stimulation of technical development on additional channels now reserved for television.
7. Development of program service in conjunction with research and experimentation.
8. Establishment of minimum requirements for television transmitters.
9. Protection of the public, as far as possible, against loss through obsolescence in receivers.
10. Modification of prohibition against commercialism to permit sponsorship on experimental programs, under certain conditions.

Noting the high cost of producing programs for television stations, the Committee said:

"In spite of the convenience afforded by television in the home, it cannot be assumed safely that the public would be entirely satisfied with a quality of television program service inferior to that secured from competitive media, such as motion pictures, particularly the news reels.

"The Committee has been informed that the average cost of the average motion picture production is approximately $300,000, and that the approximate cost of rendering television programs in New York City for one week on a 12-hour per week broadcast basis is $15,000. Thus, if television is to become a real service to the public, the licensees must be adequately financed and be assured of an adequate revenue from the service rendered.

"Not only must this huge cost be shared by several licensees, but also many stations interconnected in a program distribution system appear at this time to be necessary before adequate program service to the public is possible.

"To date no connecting links have been constructed because there are not enough stations to justify construction of the interconnecting facilities. Applications for other than television technical research stations have come from only seven communities of the nation.

"The Committee is likewise of the opinion that a wholesale distribution of receivers at this time is unsound because it may lead to retardation rather than acceleration of the ultimate development of television. Public purchase of receivers in advance of proper television transmission facilities would naturally create a demand for such transmitters. At the present stage of development good programs cannot be furnished. The more logical procedure would be the establishment of transmitting stations adequately equipped and organized to render program service so attractive to the public that it will purchase the most modern receivers.

"Only three television stations are now carrying on regularly scheduled broadcast service to the public through their licensed facilities. Broadcast service of a suitable standard can only be rendered at a considerable expense and without any immediate monetary return unless the licensee is engaged in the manufacture and sale of television transmitters or receivers, and even in such cases the return is problematical . . . .

"The Committee has given careful and sympathetic consideration to this proposal, particularly from the standpoint of estimating the extent to which the present restrictions against commercialization constitute a barrier to orderly progress. The Committee is of the opinion that at present the claimed advantages of removing the restrictions against commercialization of television do not outweigh the potential disadvantages.

"Today there is no circulation to attract any sponsor to television as a logical media for securing public response. It appears obvious that before commercialization of television can become feasible, the service should be ready to sell on some reasonable basis of circulation value to the sponsor. Since only a few experimental stations in operation today are rendering broadcast service to not more than 1000 receivers, there is no convincing argument that the removal at this time of the ban on commercialization will affect the development of television in any positive manner.

"On the other hand, there is grave possibility that premature commercialization could retard logical development. There is particular danger that advertising rather than entertainment or education might easily become a paramount factor in programs. In addition, premature commercialization may easily lead to a scramble for television channels by unfitted applicants who have no real public service concept. It may precipitate many stations in local markets before any source of good programs is available. Consequently, it is certain that public reaction to television service would be adverse.

"The Committee does not believe that immediate commercialization of television program service would increase the sale of receivers. On the contrary, it might easily result as a retardation of the ultimate sale of such receivers on a large volume basis.

"Furthermore, immediate commercialization threatens to open the door wide to financial exploitation of the public without any sound basis therefor. And, finally, premature commercialization might crystallize employment and wage levels before a new-born art and industry has any opportunity to gain

"The Committee is informed of the serious fact that a widespread distribution of commercial television stations in smaller communities may lead to program duplication and consolidation of the different networks in television. Public questions of monopolies in areas of mass television transmission facilities would obviously create a demand for such investigations. At the present time of development your committee cannot be informed. The very rapid growth of television should be the responsibility of broadcasting stations. Especially engineers and operators to render programs certain effectively to the public since it will encourage the most valuable medium.

"Only large scale financial studies are now underway in regard to broadcasting service to the public through television facilities. Financial survival of a satisfactory broadcaster can only be provided at a considerable expense and risk. Any investigation conducted by the Commission in regard to the beneficiaries and rate of television transmission or profitability, can even in such cases the answers be problematical. . . .

"The Committee has given careful and sympathetic consideration to this proposal, mainly arising from the difficulties of the network to which the present restrictions against commercialization constitute a barrier to early progress. The question is of the public benefit of providing the national network of television in and during the potential development of television in and during the potential development.

"Today there is no application in network for commercial television as a logical media for educating public opinion. Commercial television has before commercialization of television program service. The network cannot be ready to sell in the commercial basis of network time to the sponsors. Since only a few experimental stations in commercial broadcasting operations to not more than 1000 receivers, there is no satisfactory judgment that the results at this time of the commercialization will affect the development of television in a profitable manner.

"On the other hand, there is some possibility that future commercialization could mature before development. Since in particular broadcast and advertising rather than mere or commercial other early because a prominent factor in operation. In addition, premature commercialization may easily be a serious for television manufacturers by artificial application to have no real public service motive. It may prematurely commercialize in local markets before any means of good programs is available. Consequently, it is possible that public television service would be adverse.

"The Committee does not believe that immediate commercialization of television program service would improve the well receivers. On the contrary, it might easily result in a restriction of the listening audience of such receivers to a large cities market.

"Furthermore, immediate commercialization interferes or the door wide to financial availabilities of the public with any sound basis for success. And, finally, premature commercialization might restrictive employment and wage levels before television art and industry has any opportunity to grow.

sufficient experience to obtain the stability in this phase of the service which is so essential to employer and employee alike. . . . . .

"It may be that the time is fast approaching when pioneers must receive a return not only on their huge investment but also must secure remuneration for operating expenses. Consequently, the Committee feels that program sponsorship by advertisers is one of the logical means of support for the new television service to the public when such service is ready. The Committee recognizes a particular need for keeping the Commission's regulations abreast of progress. Therefore, applicants should be given the opportunity, at any time, of securing changes in the rules if, as a result of a public hearing, they can demonstrate that public interest will be served by such changes.

"While the Committee does not recommend any radical change in principle in existing rules relating to commercialization, it does suggest a clarification and simplification of existing rules in this respect.

"It should be made clear that the rules do not constitute an artificial barrier to the logical development of program technique, including the development of methods for making television useful as an advertising media conforming to favorable public reaction. Also it should be apparent that sponsorship is not prohibited, provided such sponsorship and the program facilities or funds contributed by sponsors are primarily for the purpose of experimental program development. The intent of the rules should be to prevent commercial exploitation of television as a service to the public prior to demonstrated proof of its readiness for regular operation in accord with public interest, convenience or necessity. Other than such alterations, the Committee is of the opinion that the Commission should not permit regular commercialization of television at present, but that instead the Commission should hold itself ready to consider the problem anew when general development progresses further into practicalities."

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## ADMINISTRATIVE BOARD CREATED BY FCC

The Federal Communications Commission has issued an Administrative Order (No. 2) effective December 1, changing the routine duties of members of the Commission.

The Order creates a Board to be known as "The Administrative Board" to handle the routine functions formerly im the hands of individual Commissioners. The Board is composed of the General Counsel of the Commission, Chief Engineer, Chief Accountant and the Secretary.

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# McDONALD URGES CURB ON COMMERCIAL TELEVISION

Limited commercial television, confined to the New York metropolitan area, was proposed to the Television Committee of the Federal Communications Commission this week by Commander Eugene F. McDonald, Jr., President of Zenith Radio Corporation, Chicago, just a short while before the release of the Committee's report.

At the same time, Commander McDonald, who opposed the public debut of television last Spring, stated he would oppose any move toward Government subsidy of the art.

His letter to the Committee follows:

"In your consideration of television and the policies likely to be most effective in furthering its development, may I present a viewpoint that results from careful study of the engineering aspects of television as well as from long experience with broadcasting and radio reception.

"In the United States, the radio industry is the product of private enterprise. We can claim superiority over any country in the world, because our government did not hamper the industry by subsidy or control, or by such well-meant participation as resulted in holding back radio development abroad.

"First, I wish to pay tribute to the pioneering work in television of Mr. David Sarnoff and the Radio Corporation of America. With his knowledge of the great possibilities for the founding of an important new industry, he courageously invested not only considerable sums of speculative capital but high personal and engineering ability in the pioneering effort to secure leadership in this new field.

"Great care should be taken by the government at this time so that no obstacle may exist toward working out feasible solutions, both technical and economic, of the problems that must be mastered before television can launch itself in the proper sphere across the entire country.

"Just what the future role of television is, cannot now be foreseen for it is still in an early stage of development. Fundamental changes in its application and in its technical aspects may lie ahead. For example, it may be found that television transmitted over telephone wires, with each subscriber paying a monthly fee, may be more feasible than its broadcasting over radio but no method of supporting television operating costs can be proved till it is tried. In England, television was bringing sports events into the movie theatre. Such outlets may have added to self-support for programs. The problem of supporting television may be partially cared for if it may be found that television has the ability to introduce into the home, through the eye, demonstrations of new products. Very great resistance

is encountered by salesmen in entering the home to make such demonstrations, and it may be that television will have unique advertising value and can partly sustain itself on this feature.

"We must consider, however, that this side of television is still in the experimental stage. It may be wise, therefore, to confine commercial licensing to areas where enough receivers are known to exist that results may be observed, as, for example, the area surrounding New York City with its great concentration of high income population that can be reached from a single telecasting center.

"In any event advertising should be permitted in almost any reasonable form so that diversified tests can be made to ascertain the possibility of self-support from any proposed source.

"If experimentation is confined to a single area that is known to have all suitable characteristics, such as New York with its 15,000,000 potential audience within fifty miles of the Empire State Building television transmitter, it will also be a comparatively easy matter to alter or even cancel the experiment, if it is unsuccessful, whereas it might be genuinely difficult to correct a nationwide mistake.

"In the press there recently has been discussion of the possibility of a government subsidy of television. It seems to me this would have a stifling effect upon television and would be undesirable from other standpoints. Obviously the Government cannot finance all comers and it could hardly justify providing direct or indirect profits to a single entrepreneur. The government could not, without prejudice to other existing media of advertising, such as newspapers, magazines, and radio, subsidize a television development which, in its final outcome, might compete with self-supporting, existing advertising media representing private enterprise. This would be true whether the government permitted advertising at rates below cost or whether it confined itself to entertainment which is the framework by which most other advertising is carried to public attention. It would hardly be fair for government to lend its tax-secured resources to establish competition with existing advertising media in this way.

"There is the possibility that television may become a great avenue of mass communication, a great medium for the dissemination of ideas. If the Government steps in and subsidizes, it inevitably will be faced with the choice of giving preference with its subsidies to one or a few of the private organizations that might contribute acceptable material in adequate volume or of itself taking control of this new medium of communication and developing feeder and distribution services which, if successfully developed, would compete and crowd newspaper, magazine, and radio.

"Furthermore, technical and self-supporting economic progress may be hampered by government subsidies because of the rigidity of the inevitable government control. In England, for example, it has been found there was great interest in the distribution of sports events at the local motion picture houses. There, government regulation, carried over from radio broadcasting, is reported to have prevented paying substantial sums for

the right to transmit by television. Hence, sports promoters were unwilling, without adequate compensation, to permit distribution of their events, fearing that such distribution would cut off a portion of their paying audience without compensating income. And the government, with standard practices requiring nationwide observance, cannot leave to its administrators the necessary discretion and initiative to handle each case on its merits with the same effectiveness that numerous private enterprises now handle these matters.

"Finally, the problem of free speech will face television as it develops into a great avenue of mass communication and supplements the press and radio. In these fields, the Constitution guarantees the right of free speech. It would not be possible, if this new field of television were government-subsidized and government-controlled, to keep government influence from determining what should be telecast and what should not. This field of communication, it may be pointed out, is probably the most dangerous of all in which to take even a few steps leading toward government control by subsidy.

"It may be that like so many other developments in pioneering work they who introduced television are ahead of their time and that today the heavy expenditures required for maintaining television broadcasting are not warranted. It is reported that less than 500 sets have been sold to the public in the whole United States and that 90% of these are in the Greater New York area. At $500 each, this would represent a total of only $250,000.

"If that is the case, instead of having the Government come in and take over telecasting from its commercial backers and underwrite a development on which they misgauged the market, it might be better, at cost no greater than that expended for a few weeks of telecasting, to buy back all the sets that are outstanding so that unfavorable reaction from the public would be obviated.

"Further research and technical development may make television commercially self-supporting. That can only be proved by permitting commercial support of such development. Such proof must be based on realities and recognize that the new medium may compete with the press and with radio for the advertising dollar, for sources of programs and for the privilege of entertaining or instructing the public. But, until the real possibilities are better known and the other problems have been thought through, the government should: (a) give the greatest possible freedom to private enterprise for experimentation by removing any hampering rulings; (b) not become a financial partner by assuming responsibility for television's existence."

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John G. T. Gilmour, since 1931 Director of General Electric's Motion Picture Department, has been appointed Program Manager of the company's new television broadcasting station W2XB which will go into operation the latter part of this year, it has been announced by C. H. Lang, Manager of the Publicity Department. Charles R. Brown of the company's Market Research Section has been named to succeed Mr. Gilmour in charge of the Motion Picture Department. W. T. Cook will be in charge of scenarios for both pictures and television programs.

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# TWO CLASSES OF TELEVISION STATIONS PROPOSED

Two classes of experimental stations will be established by the Federal Communications Commission if it adopts rules recommended by the Television Committee.

The two classes of stations as defined in the proposed rules follow:

Class I and Class II stations:

(a) A licensee of a television broadcast station shall not make any charge, directly or indirectly, for the transmission of either aural or visual programs.

Class I Stations:

(b) Class I stations shall operate to conduct research and experimentation for the development of the television broadcast art in its technical phases but shall not operate for rendering regularly scheduled broadcast service to the public.

(c) Class I stations will not be required to adhere to the television transmission standards recognized by the Commission for Class II television stations.

(d) No Class I station shall operate when interference would be caused by such operation to the regularly scheduled broadcast service of a Class II station.

Class II Stations:

(e) Class II stations shall operate to render scheduled television broadcast service for public consumption, and in connection therewith may carry out experiments with respect to program technique, determine power and antenna requirements for satisfactory broadcast service and perform all research and experimentation necessary for the advancement of television broadcasting as a service to the public.

(f) Class II stations shall operate in accordance with the television transmission standards (scanning, synchronization, etc.) which the Commission recognizes for this class of station. The Commission will recognize a modification in these standards upon a showing by the applicant proposing the changes that it will be in the public interest to require all Class II stations to adopt the proposed changes.

(g) Class II stations shall make all equipment changes necessary for rendering the external transmitter performance required by the Commission.

(h) Class II stations shall maintain a minimum scheduled program service of five hours per week throughout the license period. (The Commission may modify this minimum schedule in accordance with the showing on the merits in individual cases.)

(i) In case of failure of a Class II station to render its minimum of scheduled program service per week, the license therefor will not be renewed unless it be shown that the failure of program service was due to causes beyond the control of the licensee.

(j) Class II stations may broadcast sponsored programs, provided such sponsorship and the program facilities or funds contributed by sponsors are primarily used for experimental development of television program service. Solicitation, or the offering on the part of a licensee to anyone, of its licensed facilities for hire as a regular service to the public or as a service to sponsors on other than an experimental basis is prohibited.

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## COURT UPHOLDS FCC IN EL PASO APPEAL

A mere showing that the income of an existing station may be reduced if another station enters its field is not sufficient to justify the Federal Communications Commission refusing to grant the newcomer a license.

The United States Court of Appeals so ruled this week in dismissing an appeal brought by the Tri-State Broadcasting Co., Inc., licensee of Station KTSM of El Paso, Tex., in its fight to overturn an order granted to Dorrance D. Roderick to construct a station at El Paso.

The company appealed from a finding of the Federal Communications Commission which contended that the firm had no right to appeal from its order, as economic injury, it suffered, is without legal damage.

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A new all-time high month in gross billings since the station was opened 19 years ago was reached in October by Westinghouse KDKA, according to S. D. Gregory, General Manager. During the month billings showed an increase of 18% over October of 1938. New business booked by KDKA during the month just closed topped the same period of last year by a margin of 63%. During the thirty day period, time and talent contracts for future programing hit the sum of $102,469, an increase of $63,487 over October of the previous year. The first ten months of 1939 in this phase of business show an increase of 33% over the 1938 period of January through October.

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GANNETT SOLICITS DONATIONS TO FIGHT RADIO CURBS

Frank Gannett, New York State publisher and Chairman of the National Committee to Uphold Constitutional Government, this week loaded the mails with attacks on the Code of the National Association of Broadcasters and the provision of the Communications Act which gives the President extraordinary emergency powers.

At the same time Samuel B. Pettengill, former Republican representative from Indiana and now Vice Chairman of the Gannett Committee, let loose a blast against the NAB Code in an address carried Sunday night by the Columbia Broadcasting System.

A letter and enclosures of Pettengill's speech and other data was sent to a million persons, according to the Committee's claim, in every Congressional District, including all lawyers, physicians, business men, bank presidents, and editors.

"The National Committee", wrote Sumner Gerard, Treasurer, "has a carefully planned program for nation-wide education and information to bring about, during the next session of Congress, repeal of the dangerous blank-check powers of the President."

In an open letter to broadcasting station operators, Mr. Gannett asked for contributions ranging from $50 to $1,000 according to the size of the station, and sustaining time for speakers.

A preliminary study indicates, he wrote, that broadcast stations should be granted three-year licenses and that the FCC should have no power to suspend, revoke, or refuse to renew a license "for an alleged offense in broadcast programs other than violation of specific prohibitions contained in the Communications Act".

"Shall radio have its independent existence assured so that it can always give a firm basis for freedom of speech over the air, regardless of any administration - Republican, New Deal or Democratic, that may be in power?" he asked.

"Shall a system be allowed to continue which at some future date may endanger or even destroy the independence of radio because of beaucratic caprice or manipulation for political purposes?"

Centering his attack on the NAB Code provision which bars sponsored controversial broadcasts, Mr. Pettengill said:

"The National Association of Broadcasters has decided that the American people need a guardian. They have elected themselves the guardian. They did this without our knowledge or consent but it is now the fact. You and I are now their wards. It is only by their leave that you can now discuss a controversial

question over the air waves of America. You can say nothing, you can hear nothing, except with their majesties' gracious permission. Papa knows best.

"The Broadcasters' recent Code is a threat against the free speech of a free people. No law authorized their action. No Constitution sanctioned it. No election ratified it. They did what Congress itself does not have the power to do. The Lords of the Air decided that they would decide what you shall hear. They decided that you shall not decide what you shall hear.

"As always in cases of this kind their action is surrounded by sanctimonious reasons why what they are doing to us is a good thing for us. This is old stuff - as old as Caesar and the Divine Right of Kings. Abraham Lincoln, man of the people, knew this game inside and out. Lincoln said, 'Tyrants always bestride the necks of the people on the claim that it is for the people's good.'"

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RADIO CENSORSHIP SEEN IN ARGENTINA AND URUGUAY

Both Argentina and Uruguay are preparing to put all broadcasting under strict government control, including the censorship of news, according to the Montevideo correspondent of the New York Times.

The Uruguayan President last week sent a bill to Congress to that effect and the Argentine Government on the same day published the recommendations of a Government Commission which spent a year studying the problem.

The Uruguayan bill establishes the principle that the atmosphere over the country's territory is a State domain, and that strict governmental control to use that domain does not violate the constitutional guarantees of free speech, free thought or any other individual liberties any more than those liberties are violated in the Government's control of the use of its domain in the soil and subsoil. According to this principle the State argues that it has the same right to exercise its sovereignty by prohibiting and regulating the crossing by airplanes.

Most of the other South American countries already exercise censorship over radio broadcasting by taking phonographic recordings of all programs and later fining or closing down the stations for sending anything the Government disapproves of.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF NOVEMBER 17, 1939



No. 1175

TELEVISION PROBLEM ECONOMIC RATHER THAN TECHNICAL

With the release of the television report of Federal Communications Commission's Television Committee this week, it became apparent that the major obstacle to rapid television development as a public service is the economic rather than a technical problem.

Until the FCC acts on the three parts of the Committee's report and actually grants construction permits for new visual broadcasting stations, it will be difficult to determine whether or not the liberalized FCC rules are going to pave the way toward economic stability for the industry.

Licensees have invested between $12,000,000 and $15,000,000 to date in promoting television, but it is likely that they will have to spend millions more before the art makes any substantial financial return.

Until stations are constructed in scattered sections of the country, however, networks cannot be established; and until networks are set up, it is doubtful that the high cost of programs can be so apportioned as to make television commercially feasible.

Program cost alone in New York City was found to be $15,000 for a 12-hour per week service. Yet, the Craven Committee pointed out, the average cost of producing a motion picture is $300,000 and hinted that television would have to step up, rather than cut, its expenditures to compete.

"If television is to become a real public service", the report added, "the licensees must be adequately financed and be assured of an adequate revenue from the service rendered."

A radio station in a small community can be constructed for about $15,000 and program talent can be obtained for a few hundred dollars a week. Not so with television. FCC officials figure that at least $50,000 will be needed for the initial investment and the cost of staging programs will run many times that of radio.

The Radio Corporation of America, and its subsidiary, the National Broadcasting Company, have spent between $8,000,000 and $10,000,000 on television without any financial return, and the Columbia Broadcasting System has invested $1,225,000 and hasn't started broadcasting yet.

The question of who is going to pay for this highly expensive art is disturbing both the FCC and the radio manufacturers who are taking the lead in promoting it. Obviously, the

industry hopes that television ultimately will reach the stage, like radio, where the public foots the bill indirectly by patronizing the products advertised.

But advertisers, as a rule, are not so philanthropic as to be willing to provide entertainment without reasonable assurance of financial returns. So that until a market of television receiver owners is available, they are apt to be reluctant in taking advantage of the liberalized rules of the FCC.

The public, on the other hand, is not likely to stampede manufacturers with orders for receivers until television stations and networks are established and regular programs of high caliber are available.

The cost of television receivers will be cut shortly to an average of $300 instead of $600, it is understood, as a lure to prospective buyers. But FCC officials doubt even that price will bring any volume sales until more stations are operating.

If the FCC follows the recommendations of the Craven Committee, it will be careful to grant licenses only to applicants with adequate finances and experienced in public service. Newspapers, broadcasters, and motion picture companies, if able to qualify financially, would be considered capable from a public service point of view, it is understood.

Establishment of national networks, FCC officials believe, will enable television broadcasters, once audiences are built up, to present rather elaborate programs from a key station and then transmit them via relay or feeder units or other means to affiliated stations. Whether even these will become economically profitable remainds to be seen.

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NEW NETWORK DUE TO START OPERATING JANUARY 1

The Transcontinental Broadcasting System, which was organized in Chicago recently with the aid of Elliott Roosevelt, is scheduled to begin operations January 1st with the backing of the Blackett-Sample-Hummert, Inc., advertising agency.

Information as to the number of stations that will be involved and the financial backing of the organization is not available at this time. Stations are reported to have received offers to affiliate on a basis of 30 percent of their card rates.

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CODE CONTROVERSY DWINDLES; COUGHLIN STILL TALKS

While officials of the National Association of Broadcasters were congratulating themselves this week that they had avoided a crisis within the industry over the NAB Code ban on controversial broadcasts, the Rev. Charles E. Coughlin, Detroit priest, was still making his weekly radio talks on a substantial hook-up of stations.

Only a handful of Coughlin's 44 stations were pledged to drop the program although John Shepard, III, President of the Yankee and Colonial Networks, which forms the nucleus of the hook-up, had promised the NAB not to make any profit from the broadcasts.

The Shepard capitulation appeared to Washington observers to have helped the NAB little, except as a face-saver, as the New England network operator has at no time said he would cut the priest off his stations. Mr. Shepard said he would no longer accept the broadcasts on an out-and-out commercial basis, but he said he would take sufficient revenue to defray actual line and overhead costs and if Father Coughlin refused to accept free time he would turn over to charity the difference between the payments to stations and his expenses.

Meanwhile, the NAB looked hopefully to Vatican City for some action that might force Father Coughlin to stop his radio blasts. Pope Pius XII, in his encylical to the American Catholic church, took a slap at Coughlin and gave rise to speculation that he might take sterner measures if Father Coughlin continued his ethereal harangues.

"We have learned with no little joy", wrote the Holy Father, "that the Marconi radio - marvelous invention and excellent image of the apostolic faith that embraces all mankind - is frequently and advantageously put to use in order to insure the widest possible promulgation of all that concerns the church. We commend the good accomplished. But let those who fulfill this ministry be careful to adhere to the directives of the teaching church, even when they explain and promote what pertains to the social problem; forgetful of personal gain, despising popularity, impartial, let them speak 'as from God, before God, in Christ'."

The controversy continued as a subject for editorials, with the Chicago Tribune in a lead article raising the question of "How Free is Radio?"

"It is well understood that the broadcasters' code of ethics was drawn primarily to keep Father Coughlin off the air", the editorial said. "And also it is generally understood that one of Father Coughlin's offenses, if not his principal offense, was his violent criticism of Mr. Roosevelt's administration. His intemperate remarks on other subjects, his radical and social prejudices, presented a hard case for the freedom of speech to defend. But nevertheless, such hard cases frequently test the

the ability of a people to keep their privileges. If Father Coughlin had not been so obnoxious to the administration the broadcasters might not have been so willing to suppress him."

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STATIONS COOPERATE TO IMPROVE SERVICE; FCC APPROVES

An example of public benefit resultant from broadcast stations working out mutual problems of power allocation was cited by the Federal Communications this week as it granted applications of Stations KTUL, WIRE and KLO for increased power facilities.

The Tulsa Broadcasting Company, Inc., operating KTUL at Tulsa, Oklahoma; Indianapolis Broadcasting, Inc., operating WIRE at Indianapolis, Indiana, and the Interstate Broadcasting Corporation, operating KLO at Ogden, Utah, are the stations who cooperated to improve service in those areas.

The three stations were each operating with 5 kilowatts day and one kilowatt at night. Each wanted to increase its night power to five kilowatts. But they couldn't do that independently without interfering with one another. So they got together and worked out technical details whereby, through the use of directional antenna, they will minimize the interference problem and, at the same time, be able to extend their respective services.

When the joint arrangement was presented to the Commission it was approved without delay. The case is typical of mutual effort of other broadcasters who, by using modern engineering methods, are able to improve broadcast quality and coverage, the FCC observed.

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COMPOSER SAYS RADIO AIDS MUSIC APPRECIATION

Albert Spalding, American violinist-composer, believes that radio is increasing music appreciation rather than undermining it, he stated in an interview while appearing for a concert in Washington this week. He said the radio is increasing music appreciation, just as the printing press brought about the democratization of literature.

"I have no doubt, that when the first printing press was set up, there was a great outcry from the long-hairs about the vulgarizations of the arts", he said.

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MONOPOLY COMMITTEE STUDIES FACTUAL DATA

The Federal Communications Commission's Monopoly Committee is preparing to start consideration of the problems of chain broadcasting as adduced during more than six months of public hearings. The factual report on which the staff of the Commission has been working for months, it was said, will be completed, and will be submitted to the Committee. This report will not contain any recommendations, but will merely lay before the Committee the staff's conclusions as to what the evidence has indicated.

This report will not contain any reference to the investigation ordered by the Committee into the broadcasting of the World Series baseball games. It was said that this will be a matter of supplementary investigation and report after all of the radio stations have answered the questionnaire which was sent out by the Commission and the returns on which are to be in the hands of the Commission by closing hours next Wednesday.

This inquiry will bring up the question of exclusive contracts of chain stations. There is a view in some sections of the Commission that the exclusive contracts prevent radio broadcast licensees from performing their duty to the public in serving their particular communities when they contract to sell their time to the chains, and it is contended that the baseball broadcasts will serve to bring out this point.

There is little doubt that the Committee will have considerable to say along this line and this is based on the trend of questions during the course of the inquiry and the subsequent action in calling for the information about the baseball broadcasts.

There is a view in the Commission that as the frequencies used by broadcasting stations vest in the Government and are loaned to the broadcasters for specified periods to service their communities, that in granting or selling time to the chains they are not carrying out the contract involved in the grant of the license. On the other hand, it was pointed out that there is a view that the chains permit the stations to serve the public interest because they provide programs for the smaller communities which the stations in these areas could not provide alone, because of the lack of talent in the areas they serve and the great expense that would be involved in bringing it in.

The action of the Committee is being awaited with a great deal of interest in the industry, which expects recommendations of some changes in the system. However, the Committee's report will have to come before the full Commission before any action is taken, either in changing the rules of the Commission or recommendations for legislation either is found needed or desirable.

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## LAWYERS RAP FCC PROCEDURE STARTED BY McNINCH

Caustic criticism of the system of conducting preliminary hearings that was introduced by former Chairman Frank R. McNinch of the Federal Communications Commission was voiced this week by Washington radio attorneys at an informal discussion in the U. S. Chamber of Commerce.

Constituting one of the sessions of the Washington Institute of Administrative Law, a division of the American Bar Association, the attorneys picked many flaws in the present FCC procedure, charging it with retarding cases and irregular legal practices.

Louis G. Caldwell, Duke Patrick, and R. A. Van Orsdel were among the chief speakers.

One speaker told the story of a designated examiner who, while hearing an attorney, interjected the comment, "Objection sustained".

"Who objected?" asked the amazed lawyer.

"I did", replied the examiner.

Mr. McNinch abolished the Examining Division of the FCC in connection with his famed "purge" and apparently to get rid of the Chief Examiner, Davis G. Arnold, whom he could not otherwise dismiss.

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## PIPING OF TELEVISION TRANSMISSION FORECAST

Television networks may be nothing more than water pipes, Kenneth Jarvis, consulting engineer of Winnetka, Ill., told members of the Institute of Radio Engineers at Rochester, N. Y., this week.

Experiments with a mile-long pipe, three-quarters of an inch in diameter and filled with water have proved it to be more efficient than a telephone line for transmission, Mr. Jarvis said.

"A way has been found of keeping the electrical waves within the pipe which can be bent to go around corners or over hills", he explained. "The system is much cheaper than the coaxial cable which is the only system of network transmission now available."

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## MILLER TO MAKE TOUR TO RAISE COPYRIGHT FUND

Neville Miller, President of the National Association of Broadcasters, will make a whirlwind trip around the country, beginning next month, in an effort to raise $1,500,000 from broadcasters to establish a supply of music for the NAB and thus free the industry from dependence upon the American Society of Authors, Composers and Publishers.

Carrying on their anti-ASCAP fight, NAB officials felt more confident this week because of support from NBC and CBS as expressed in a statement included in the registration statement filed by Broadcast Music, Inc., the NAB agency, with the Securities and Exchange Commission.

The networks said they would approve the principle of copyright clearance at the source "when an economically and legally feasible method of so clearing can be devised which is not unduly burdensome to the said networks in comparison with their present method of operation and payment."

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## CIVIC INTEREST HELD CONSIDERATION IN RADIO GRANTS

The words "public necessity" in the Communications Act "are not to be construed narrowly, but rather as calling for the most widespread and effective broadcast service", declared the Federal Communications Commission in granting application of F. W. Meyer for construction permit for a new broadcast station in Denver, Colorado.

The Commission explains:

> "Nothing in the Communications Act, our Rules and Regulations or our policy requires a finding of a definite need to support the grant of an application. Cases where such a finding of need is not made are, however, to be distinguished from situations in which a real lack of broadcast service is made clear. . . . In the latter class of cases the Commission will give due consideration to this fact. The 'public interest, convenience or necessity' which the statute provides as the basis for a grant, cannot be construed as a mandate that actual necessity for the particular facilities must be shown. Neither the disjunctive form nor the public convenience as an independent factor is to be entirely ignored. Indeed the words 'public necessity' in the Act are not to be construed narrowly, but rather as calling for the most widespread and effective broadcast service possible."

Opposition to granting the application argued that no public need is shown for additional broadcast facilities in Danver. All of the stations operating full time in that city are affiliated with the national chains. Thus the hours during which these stations may reach the greatest number of listeners are not available for local broadcasting. Local governmental, educational, civic, charitable, and community organizations thus lack an effective means of reaching the radio public in the vicinity.

The Meyer station proposes to operate on 1310 kilocycles with power of 100 watts at night and 250 watts until local sunset, unlimited time.

The application was denied originally on May 18, 1939. Subsequently, the applicant filed a petition for rehearing, which was granted and the case was reargued November 9th last. Under all the circumstances and evidence presented, the Commission concludes that "public interest, convenience and necessity" will be served by granting the application.

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## WAR-TIME DANGER TO COMMUNICATIONS SEEN

If hostilities in Europe are begun on a major scale, one of the first and biggest objectives is expected to be an attack on communications, the ramifications of which might extend to the cutting of trans-oceanic cables and sabotage of radio telegraph stations in this country which communicate with Europe, Rear Admiral Luke McNamee, U.S.N. retired, a former chief of the Office of Naval Intelligence, told the Federal Communications Commission last week.

Admiral McNamee, as President of the Mackay Radio & Telegraph Co., testified at a hearing before Commissioner Frederick I. Thompson in an effort to convince the Commission his company should be allowed to retain frequencies for radio communication between Madrid, Paris and Berlin.

Warning that the real war has not yet broken out, Admiral McNamee pointed out that radio was in its infancy during the World War and that the central powers were not interested then in cutting the cables because they were using them. Now, he testified, they are using radio as an efficient means of direct communication and it may well be made the subject of attack.

The retired officer argued that it was most important that this Government allow all available radio frequencies to remain operative, even though the licensees were not able to use them because of inability to make contracts with the stations abroad. He explained that Mackay was negotiating with agencies in the three European points concerned and that for the Federal Communications Commission to withdraw the licenses might well be taken by the governments of France, Spain and Berlin as an evidence that this Government did not want to increase its direct communication with them. He said retention by Mackay of the frequencies in question would bolster the preparedness of the country, explaining that to remove them would leave "our radio eggs in one basket."

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Opposition to granting the application argued that no
[illegible] need is shown for additional broadcast facilities in
[illegible]ver. All of the stations operating full time in each city
[illegible] affiliated with the national chains. Then the bonus figure
[illegible]ion these stations may reach the greatest number of listeners
[illegible] not available for local program using. Local governmental,
[illegible]cational, civic, charitable, and community organizations thus
[illegible]k an effective means of reaching the radio public in the
[illegible]ility.

The Roper station proposes to operate on 1380 kilo-
[illegible]cles with power of 100 watts at night and 250 watts until local
[illegible]nset, unlimited time.

The application was denied originally on May 18, 1955.
[illegible]ppeared, the applicant filed a petition for rehearing, which
[illegible] granted and the case was reargued November 8th last. Under
[illegible] the circumstances and evidence presented, the Commission con-
[illegible]cludes that "public interest, convenience and necessity" will be
[illegible]ved by granting the application.

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FAR-FLUNG ACTION TO COMMUNISTIFY EUROPE

If hostilities in Europe are begun on a major scale,
[illegible] of the first and obvious objectives is expected to be an
[illegible]ack on American bases. Our preparations of which might arouse
[illegible] the nothing of this nature-minded nation are proceeding at a
[illegible]ttempo of alarm in this country which unfortunately will be more,
[illegible] Admiral Lewis Strauss, U.S.N. retired, a former member of the
[illegible]tion of Naval Intelligence, told the Federal Communications
[illegible]mission last week.

Addressing delegates, as President of the Radio Talks
[illegible]ampaign Inc., testified at a meeting before Congressman Fred-
[illegible]ick E. Thompson in an effort to convince the Congressman of the
[illegible]ity should be allowed to retain frequencies for radio com-
[illegible]unication between Madrid, Paris and Berlin.

Warning that the Red Army was not behind us,
[illegible]ated Moscow planned one last venture at the Battle of the
[illegible] World War and that the Soviet leaders were now interested in
[illegible] getting the Russian masses they were taking alone. Now, he beca-
[illegible]ed, they are using radio as an additional weapon to divert com-
[illegible]munication and it may well be made the weapon of attack.

The Red [illegible] Army, he stated, is very much inferior
[illegible] the Government allow all available radio frequencies to
[illegible]ain operating. He stated the Kremlin was not able to use
[illegible]an because of inability to make contact with the stations
[illegible]. He explained that Moscow was negotiating with Spain
[illegible] the Spanish Government which had sent the Spanish
[illegible] Ambassador to Washington the Ambassador spent much
[illegible] by the Government of Franco. Radio and Moscow is vi-
[illegible]ous that this Government did not want to generate the Russian
[illegible]ation with them. In case retaliation by Russia of the
[illegible]ounds in Moscow would indicate the preparedness of the
[illegible]ntry, explaining that "it remains when would have very radio
[illegible] in one hours."

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## 87,500 FINCH SHARES PUT ON MARKET

Distributors Group, Inc., of New York City, offered this week to the public 87,500 shares of Finch Telecommunications, Inc., common stock at $5 a share. The proceeds are to be used by the company for the purchase and installation of additional machinery, expansion of sales and advertising, for research and development and for additional working capital and general corporate purposes. The corporation's capitalization consists of 276,100 authorized shares of common stock, of which 231,100 shares will be outstanding upon completion of the present financing.

Facsimile communication, according to the prospectus, is the transmission over radio, telephone or wire circuits of any material which can be recorded on paper, such as writings or printing, drawing, charts, maps and photographs, an exact copy or facsimile being reproduced and recorded by the receiving apparatus.

Finch Telecommunications, Inc., incorporated in 1935, is engaged principally in developing, manufacturing and selling, and of licensing others to manufacture, use and sell, apparatus and equipment for facsimile communication under patents owned by the company.

William G. H. Finch, President of the company, has been identified with developments in facsimile communication since the World War, when he was engaged in developing systems for remote artillery fire control.

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## ACTORS SETTLE TELEVISION DISPUTE TEMPORARILY

The controversy over television jurisdiction has been settled temporarily, Actors Equity Association apparently losing its sole control of the field, the New York Times reported this week.

A committee of fifteen empowered to negotiate contracts for six months has been recruited from Equity, the American Federation of Radio Artists and the Screen Actors Guild, which are branches of the Associated Actors and Artists of America.

A sub-committee concisting of George Heller of A.F.R.A., Walter N. Greaza of Equity and Stephen Kent of S.A.G., will assume active management of the jurisdiction.

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## WESTINGHOUSE TO SELL TIME ON SHORT-WAVE STATIONS

Following the lead of Crosley Corporation and the National Broadcasting Company, the Westinghouse Electric & Manufacturing Co., announced this week that its international stations, WPIT, Pittsburgh, and WBOS, Boston, are now available to advertisers.

The change from experimental classification to commercial status for short wave broadcasting results from a recent ruling of the Federal Communications Commission.

"Thousands of letters received at WPIT over the long period of years attest public appreciation of a service which Westinghouse inaugurated in the early years of radio", said Walter Evans, manager of the company's Radio Division. "Negotiations are already under way with several advertisers who are interested in programs reaching a foreign audience established over a period of 16 years."

Mr. Evans announced that F. P. Nelson will be in active charge of programming and promotion of sales for the two international stations, with headquarters at the company's Radio Division in Baltimore. Mr. Nelson has been associated with the Advertising Department of the Chicago Tribune, the National Broadcasting Company at Chicago and more recently with the Radio Department of Blackett, Sample & Hummert.

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## FREE FACSIMILE SERVICE PLANNED BY NEWSPAPER CHAIN

Guy C. Hamilton, Vice President and General Manager of the McClatchy Newspapers, whose subsidiary broadcasting company has sent a facsimile newspaper into hundreds of California homes since last February as an experiment, believes that this field of radio "is a service to the public that the newspaper, by training and experience in the dissemination of news, is best fitted to give".

Interviewed in New York last week during a business trip, Mr. Hamilton told Editor & Publisher that the McClatchy newspapers are prepared to give the public facsimile newspapers without charge next year should technical developments place a sufficient number of receivers in the areas served by the Sacramento Bee, Fresno Bee, and Modesto Bee.

"We are not in radio or facsimile trying to make a profit", he emphasized. "Our only interest is the promotion of our newspapers, and the resulting prestige and good will that can be built up.

"Facsimile is a service we can easily give because we are in the business of disseminating news and if it is demonstrated by this experiment that the public is interested enough to buy the recorders, we will continue to give the service to the public without charge."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF NOVEMBER 21, 1939




No. 1176

November 21, 1939.

CONGRESSIONAL FIGHT OVER RADIO CODE EXPECTED

Although the broadcasting industry itself apparently has become reconciled to the NAB Code ban on sponsorship of controversial radio talks, Washington observers believe that the issue will pop up again with renewed vigor when Congress convenes.

With the National Committee to Uphold Constitutional Government taking the lead in a demand for Congressional amendment of the Communications Act, a general row over threats of radio censorship, either from the Government or the industry may be expected.

The Code was the subject of an open forum discussion Sunday over the Mutual Broadcasting System with General Hugh Johnson, Morris Ernst, liberal lawyer, Ed Kirby, of the National Association of Broadcasters, and Martin Codel, of Broadcasting Magazine, participating.

NAB officials this week distributed copies of a syndicated column by Joseph Alsop and Robert Kintner, of Washington, on the significance of Pope Pius' reprimand of the Rev. Charles E. Coughlin, Detroit radio priest.

The columnists said that the new development might save the NAB Code "from the difficulties in which Coughlinite opposition is involving it".

"If the radio industry's self-regulatory effort should fail, however, it must also be remembered that the Federal Communications Commission can step in", they write. "Chairman James L. Fly is known to believe that radio propagandists must be dealt with somehow, and it is understood that, if the Code breaks down, the FCC will consider transforming the Code rules into binding Commission regulations.

"Many suppose (wrongly) that the FCC is foreclosed from effective action because the President's son, Elliott Roosevelt, is strongly against the Code. He has even denounced it on the air, in a long passage interpolated into one of his regular broadcasts of news comment after the script had been approved by the unsuspecting Mutual Broadcasting System.

"Actually, however, Chairman Fly has discussed the President's son with the President himself. The President has told Fly, on several occasions, that he need pay no attention to young Roosevelt, and, if anything, his views carry less weight at the FCC than those of other station managers of equivalent

importance. Furthermore, the President heartily favors the NAB Code which his son has attacked. Altogether, the chances appear to be good for settling the question of air propagandists once and for all, and in the rather near future."

Editor & Publisher in a follow-up discussion of the issues involved commented:

"The code is well-intentioned. It was aimed to stop the abuse of the public's air by people like Father Coughlin and his opponents by giving the individual station owner a strong line of retreat - 'Sorry, gentlemen, I'd like to accommodate you, but our code doesn't permit it.'

"Station owners, like the rest of us, favor free speech in principle but cry out when it is used to promote ends they regard as hateful. Many of them welcomed the opportunity to deny the air to programs far more objectionable than the rows between Father Coughlin and the professional spokesmen for Jewry but, despite all the 'practical' arguments for their viewpoint we believe that association censorship is a fundamental and a grievous mistake. We haven't heard the last of it."

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INDEPENDENTS PLAN PERMANENT ORGANIZATION

With a membership of some 50 local independent stations enrolled as members for a six-month period, National Independent Broadcasters is moving forward toward establishment of a permanent organization to look after the welfare of non-network affiliated stations, according to Harold A. Lafount, former Radio Commissioner, and President of the organization.

Mr. Lafount said the independent organization is being incorporated, but until that is accomplished nothing will be done in the way of establishing offices with full-time help. While preliminary thought has been given to retention of a paid executive for NIB, he indicated this move probably was months away.

Because of the present status, there is little immediate likelihood of selection of a paid executive head for the Association. Mention previously had been made of James W. Baldwin, former Managing Director of the NAB, for that post. So far as could be ascertained, no commitment of any kind has been made and the field was described as "wide open".

The post of Secretary-Treasurer of NIB at present is being held temporarily by Lloyd Thomas, KGFW, Kearney, Neb. Edward A. Allen, WLVA, Lynchburg, former NIB president, is Vice-President of the organization. A scale of dues for independent stations ranging from $3 to $15 per month was set upon reorganization of NIB at a special convention held in Chicago Sept. 15, coincident with the NAB special copyright convention.

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importance. Yesterday, the President heartily praised the AAA Code which has now been extended. Although, the Supreme Court seems to be good for nullifying the question of its constitutionality some one and for all, and in the matter near future."

Editor & Publisher in a follow-up discussion of the issues involved concludes:

"The code is well-intentioned. It was aimed to stop the abuse of the public's air by people like Father Coughlin and his opponents by giving the individual station owner a strong line of recourse - 'Sorry, gentlemen, I'd like to accommodate you, but our code doesn't permit it.'

"Station owners, like the rest of us, have free access to principle but try out when it is used to provide code they regard as hat-fit. Many of them welcomed the opportunity to deny the air to programs for more objectionable than the row between Father Coughlin and the professional spokesmen for Jewry but, despite all the 'practical' arguments for their viewpoint we believe that association concerning in a fundamental and a grievous mistake. We haven't heard the last of it."

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## LOUISVILLE'S NEW FRANCHISE ORGANIZATION

With a membership of some 60 local independent station owners, an mandate for a six-month period, National Independent Broadcasters is moving toward sound organization of a permanent association to look after the welfare of non-network affiliated stations, according to Harold A. Lafount, former Radio Commissioner, and President of the organization.

Mr. Lafount said the independent organization is being incorporated, but until that is accomplished nothing will be done in the way of establishing offices with full-time help. While preliminary studies have been given to retention of a paid executive for NIB, he indicated this move probably was months away.

Because of the present status, there is little immediate likelihood of selection of a paid executive head for the association. Meetings previously has been made of James W. Baldwin, former Radio Director of the FCC. For that post, so far as could be ascertained, no consideration of any kind has been made and the field was described as "wide open".

The post of Secretary-Treasurer of NIB is present being held temporarily by Lloyd Thomas, WCTC, Marlboro, N.J. Leonard A. Allen, WLWA, Cincinnati, former NIB president, is vice president of the organization. A study of dues for independent stations ranging from $5 to $25 per month was set up yesterday. Ratification of NIB at a special convention held in Chicago Sept. 24, coincident with the NAB general convention.

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"RADIO CHRISTMAS" URGED BY NAB AND RMA

A new promotion campaign to replace old radio sets with new ones and to increase listening is being sponsored jointly by the National Association of Broadcasters and the Radio Manufacturers' Association. It is called "Radio Christmas".

Stations will encourage owners of old receivers to turn them into a headquarters in each community for reconditioning and distribution among underprivileged families. NAB also has suggested that stations ask local electric utility companies to insert in December advertising and in a stuffer in monthly billings a plug for new or additional radio sets in each family as well as promotion of early morning and late evening programs. It was pointed out that increased listening during these periods would materially increase the current load and result in increased return to the utility.

Under the "Radio Christmas" plan, as outlined by the NAB, the stations, local servicemen and parts jobbers would cooperate in the collection and repair of the old sets, assisted by set distributors, welfare organizations and local newspapers. An outline of the suggested plan as sent to NAB members, follows:

(a) Broadcast first announcement of "Radio Christmas" about Nov. 26, requesting listeners wishing to contribute an old radio set to telephone a central number.

(b) Names received via telephone distributed among servicemen, with proximity to serviceman's location as guide.

(c) Servicemen pick up sets from donors in person, thus gaining the contact with set owners they desire, at the same time collecting listening data valuable to broadcasters.

(d) Sets then picked up from various servicemen's stores and delivered to central location for repairs - either newspaper or jobber trucks to do this as part of their contribution.

(e) Establish repair headquarters in a prominent location, i.e., a vacant store building, identifying the location with signs and posters.

(f) Leave arrangement for handling of repair work to discretion of servicemen, explaining that a tried and proved way is for servicemen to volunteer so many hours per day for repairing the sets. Then the chairman of the group can arrange work in relays to insure activity at headquarters both afternoon and evening.

(g) Among the sets received a majority probably will be beyond repair, but many parts can be used to repair the better sets donated, thus making the parts jobbers' contribution of new parts relatively small.

(h) As sets are repaired stack them where they can be seen by the public. Complete all repair work by Dec. 20 at the latest, and immediately afterward have the organization which is to distribute the sets pick them up and start deliveries.

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FCC UPHELD IN REGIONAL POWER CASE

The Court of Appeals of the District of Columbia last week dismissed the case of WLAC, Nashville. This was an appeal from a decision of the Federal Communications Commission of May, 1938. The Commission denied rehearing to WLAC on its granting of an application of WMEX for a construction permit to operate on 1470 kilocycles, 5000 watts, unlimited time using a directional antenna. WLAC appealed because of the alleged failure of the Commission to make findings with respect to interference WMEX would cause to WLAC. WLAC operates on 1470 kilocycles, 5000 watts, day and night.

This is a companion case to the Yankee Network case rendered by the Court, and arose out of the same proceeding. In its conclusions in this case the Court said:

"We have said that if the Commission's prior consideration of a previously filed and copending application - where request has been made for joint consideration - has 'seriously prejudiced' an application we would have a case in which we might say that the latter applicant has an appealable interest as a person aggrieved. However, we cannot say, under the circumstances of the present appeal, that appellant has been prejudiced as a matter of law. The Commission's rule, permitting a joint hearing of pending applications, is certainly a reasonable one. As appellant, full-handed with knowledge of the situation, failed to request such a joint hearing, he is in no position to demand -- and we have no power to require - that the Commission suspend its normal functions and reopen its proceedings in order to determine the large questions which he seeks now to have determined. For, indeed, large and important questions will be involved in determining whether the Commission's Rule 119 should be amended and kilocycles frequency 1470 reallocated for clear channel purposes; whether the classification of Station WLAC should be changed from a regional to a clear channel station; whether Station WLAC should be required to install directional antenna; whether Station KGA should be permitted to change its frequency from 1470 to 950 kilocycles; whether or not - and if so to what extent - the Commission should integrate into its rules the 'Standards of Good Engineering practice' or provisions of the Havana Treaty.

"So long as the Commission complies with the mandate of the statute it has, and should have, wide discretion in determining questions both of public policy and of procedural policy,

and in making and applying appropriate rules therefor. It is not the function of this Court to direct the Commission as to the routine of its administrative procedure, so long as it conforms to the law. No violation of law is revealed by the record or shown by appellant."

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NEWSPAPERS WARNED TO GET HOLD IN TELEVISION

Newspaper publishers were warned last week not to be caught "flat-footed" by the commercialization of television, as they were by radio, in an editorial of Editor & Publisher on the Craven Committee report.

"If television reaches the stage where combined sound-and-sight programs can be broadcast on a scale comparable to that of the present top-flight programs, considerable dislocation of present advertising methods can be expected", the editorial said. "There may be a repetition of the scramble from other media to the brilliant newcomer, with a probable result that two, or at most three, programs will dominate the air to the complete shut-out of all contemporary offerings. That has been noted in commercial broadcasting, and we believe that it constitutes a definite limit on the expansion of broadcasting as a major advertising medium.

"But commercial exploitation of television will come, beyond doubt, and its arrival will not be marked by new advertising appropriations, but by diversion of funds from other media. Immediacy will be the natural appeal, which will make sound broadcasting and daily newspapers the principal objects of competition. With years of forewarning, newspaper should not be caught flat-footed as they were by the radio craze - and we don't believe they will be."

The Washington Post this week in an editorial on the Craven report, expressed gratification that limited sponsorship is to be permitted but suggested that more commercialization might be desirable.

"It does not appear that mere restraints are adequate to protect the public interest in television", the Post said. "A previous report to the FCC pointed out that 'television technology stands at approximately the same point on its road of development as did the automobile business immediately prior to the advent of mass production'. Receiving sets are expensive. Equipment purchased now may soon be obsolete. Yet if commercial programs continue to be forbidden and if very little equipment is sold, the industry may be arrested before its possibilities can be reasonably ascertained.

[illegible] in making any rulings appropriate under the circumstances. It is not the function of this Court to direct the Commission as to the conduct of its administrative procedure, so long as it conforms to the law. No violation of law is revealed by the records or given by appellant."

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## NEWSPAPERS WARNED TO GET HOLD ON TELEVISION

Newspaper publishers were warned last week not to be misled "half-heartedly" by the commercialization of television, as they were by radio, in an editorial of Editor & Publisher in the Trade Publications report.

"If television provides the close more realistic nonsensical sight programs can be produced on a single comparable to that of the present box-flight movies, commercially domination of present advertising methods can be expected", the editorial said. "There may be a repetition of the scramble from other media to the brilliant newcomer, with a complete result that too, or at least there, programs will dominate the air to the complete shut-out of all contemporary otherwise. That was from radio to commercial broadcasting, and we believe that it constitutes a definite limit on the expansion of broadcasting as a major entertaining medium.

"The commercial exploitation of television will come, beyond doubt, and its growth will not be marred by non-advertising sponsorship, but by diversion of funds from other media. Commercial will be the natural result. Editor will also occupy broadcasting and entertainment. This means the principal objective of newspapers. This means of transmitting, newspaper already not in complete [illegible] as long ago by the radio owner - and so does [illegible] stay will be."

The Publishers Long Line work in an editorial on the [illegible] report, concerned broadcasting, that Editor & Publisher is to be provided but suggested that more commercialization might be desirable.

"It does not appear that more commercials are adequate to protect the public interest in television", the Long Line said. "A previous report to the FCC pointed out that "television cannot by itself or commercially the same noise or the need of development of its big numerous industries immediately given to the values of mass production". Television sets are expensive. Equipment purchased now may soon be obsolete. Yet if commercial programs continue to be forbidden and if very little development is made, the industry may be retarded before its possibilities can be thoroughly appreciated.

"In drawing the analogy between television and the infant automobile industry the investigators failed to note that it was the public demand for automobiles that brought about mass production and made subsequent improvements possible. A comparable development in television may be expected only if it is permitted to sell its services to the public.

"The high cost of automobiles and radio receiving sets, when they were first offered to the public, did not prevent improvement of those inventions and gradual reduction of costs. Perhaps the FCC has been too much concerned over the protection of individuals inclined to purchase television sets and too little concerned over the transition of this invention from the experimental to the commercial stage. In any event, it is encouraging to see the Craven committee taking a more progressive view."

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## SUPER-POWER STATIONS OPERATE IN MEXICO

Three super-power broadcasting stations are operating in Mexico and none in Canada, according to a list of stations in both countries just released by the Federal Communications Commission.

The Mexican stations which exceed in power any of the 50,000 outlets in the United States are: XERA, Villa Acuna, which is authorized to use 250,000 watts but actually operates with 180,000; XEW, Mexico City, 100,000 watts; and XEAW, Reynosa, 100,000 watts.

Mexico has 104 licensed stations, four of which are temporarily suspended, while Canada has 85, the highest power being 50,000 watts.

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## BROADCAST STATION TOTAL PASSES 800 MARK

There were 809 licensed broadcasting stations in the United States of of November 1st.

During October, the Federal Communications Commission issued operating licenses to eight stations. The Commission granted eleven permits for the construction of new stations and cancelled two construction permits which it had previously granted.

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"In drawing the analogy between television and the infant subsidiary industry the investigators point to what it was the public demand for automobiles that brought about mass production and made subsequent improvements possible. A comparable development in television may be expected only if it is permitted to sell its services to the public.

"The high cost of automobiles and radio receiving sets when they were first offered to the public, did not prevent the development of these inventions and general production of models. Perhaps the FCC has been too much concerned over the protection of individuals inclined to purchase television sets and too little concerned over the diversion of this invention from the equitable service to the commercial stage. In any event, it is encouraging to see the Senate committee taking a more progressive view."

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SUPER-POWER STATIONS SPRINGS UP IN MEXICO

Three super-power broadcasting stations are operating in Mexico and one in Canada, according to a list of stations in foreign countries just released by the Federal Communications Commission.

The Mexican stations which exceed 50 power are of 50,000 watts, in the United States sense. XEWA, Villa Acuna, which is authorized to use 200,000 watts, but actually operates with 150,000; XEW, Mexico City, 150,000 watts and XEQ, Nuevo, 100,000 watts.

Mexico has 104 licensed stations, four of which are commercially sponsored, while Canada has 58, the highest power being 50,000 watts.

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SECONDARY STATION TOTAL PROVES TOO MANY

There were 600 licensed broadcasting stations in the United States at of January 1st.

Spring Garden, the Federal Communications Commission, issued operating licenses to eight stations. The Commission granted eleven permits for the construction of new stations and modified two construction permits which it had previously granted.

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## ENGINEER CAN NOW TUNE IN CABOOSE

A two-way radio communication system has been installed by the Bessemer & Lake Erie Railroad on one of its long, rumbling freight trains.

This new equipment will enable the engineer and conductor to talk back and forth between the cab and caboose while low-frequency radio waves carry their voices through the steel rails. Even though hundreds of car wheels may be grinding and thumping along, the voice reproduction is said to be sharp and clear.

The system is based upon research extending over several years, particularly with respect to an experimental set still in use on one of the Bessemer & Lake Erie freights. So far the railroad, a United States Steel subsidiary, is believed to be the only carrier making use of such an innovation, but company engineers think it is "worth all it costs".

Aside from increasing safety, the communication system was believed to lower operating costs through reduction in lost time. On a 125-car freight such as the B. & L. E. often runs, it's quite a problem for the engineer and conductor to go into a huddle on some question of operation. That's because trains of that length are slightly more than a mile from engine to caboose. The carrier wave communication system ends all such trouble.

When the conductor wants the engineer to stop a train equipped with the system, he simply presses a button and speaks into a microphone and almost at the same instant a loud-speaker booms out above the engineer's head. Then when the engineer wants to reply, he presses a button in the cab likewise. To listen, he merely lets go of the button which normally is set for receiving.

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## BRITISH BROADCAST TO OWN TROOPS IN FRANCE

A daily broadcast especially for the British troops in France was introduced into the British Broadcasting Company's Home Service programs recently. It consists of a short summary of the day's programs, and has been designed in the hope that it will enable troops using battery-operated receiving sets to save current by selecting only those program items that appeal to them.

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## TRADE NOTES

W. A. Winterbottom, of R.C.A. Communications, Inc., and Frank C. Page, of International Telephone & Telegraph Co., were appointed on the Telegraph Committee of the New York Merchants' Association last week. Other members of the Committee are Henry Meyer, C. W. Hopkins, C. O. Pancake, C. E. Thompson, D. F. Webster, J. C. Wellever, and J. T. Wilson.

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Sterling Fisher, Columbia's Director of Education, has called a conference of Columbia's Eastern educational representatives for December 1, at Columbia's headquarters in New York. The conference will discuss future educational plans for the Network. The entire group will be guests of Mr. Fisher at lunch and dinner, and will watch a performance of the "This Living World" portion of the American School of the Air, held at one of New York's high schools. Mr. Fisher, who previously had held a similar conference with Columbia's mid-West educational directors at Chicago, plans to confer with Columbia's regional educational leaders throughout the country, in a series of conferences.

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Effective January 1, 1940, Station WSPD, at Toledo, O., will become a basic Red Network station of the National Broadcasting Company. WSPD has heretofore been optional with advertisers using the Blue and Red networks of NBC.

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Paul Dullzell, Executive Secretary of Actors Equity Association, formally denied Saturday that his union had surrendered sole control over television performers. He insisted that the Committee named to prepare contracts which would be good for six months had only the power of consultation and not of administration. Besides Equity officials the Committee consists of representatives of the American Federation of Radio Artists and the Screen Actors Guild, which had been at odds with the stage union over the jurisdiction.

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Station KOWH, Omaha, Neb., has become affiliated with the National Broadcasting Company as a supplementary outlet available to advertisers purchasing the facilities of the NBC basic Blue Network. KOWH is the 179th NBC affiliate.

Station WALR, Zanesville, O., will change its call letters to WHIZ as of Sunday, Nov. 19, and became a supplementary affiliat of the NBC Blue and Red Networks - the 180th NBC affiliate. Owned and operated by the WALR Broadcasting Corp., the station is a 100-watter, operating on a frequency of 1210 kilocycles.

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To assist in extending NBC commercial international service to Latin-American and European countries, L. P. Yandell, executive of the Radio Corporation of America, has been assigned temporarily to the National Broadcasting Company, according to Niles Trammell, NBC Executive Vice President. Mr. Yandell will be in charge of all commercial activities in connection with the NBC short-wave broadcasting.

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Promotions in both Columbia Artists, Inc., and Columbia Management of California, Inc., have been announced, effective immediately. Herbert I. Rosenthal, General Manager of Columbia Artists, has been appointed Executive Vice-President of that organization. I. S. Becker, Business Manager, has been made Vice-President, retaining his present activities. Murry Brophy has been given the position of Executive Vice-President of Columbia Management of California. He has been Managing Director. Rudolph Polk has become Vice-President. The positions in both organizations are newly created.

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Rubey Cowan, formerly associated with the NBC Artists Service, and more recently with Paramount Pictures at their West Coast studios, will return to the staff of the NBC Artists Service effective December 1st, according to George Engles, NBC Vice-President and Managing Director of the Artists Service. Mr. Cowan will handle vaudeville, motion picture and television bookings in his new post.

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Radio Wire Television Corp. of America has announced that John E. Otterson, President, has disposed of his interest in the company and is no longer connected with the management. A. W. Pletman, Vice-President, has taken over managerial control of all the company's affairs effective immediately.

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Private James J. Kelley, who more than any other man was responsible for the Washington police radio system, has applied for retirement.

Designer and builder of WPDW, the Washington police radio, Mr. Kelley was termed "one of the best radio men in the country" by Inspector L. I. H. Edwards, Assistant Superintendent of Police, who said he saved the District $100,000 by his knowledge and ingenuity. He also arranged for two-way radio communication with Maryland police.

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## MARKET QUOTATIONS SHORT-WAVED TO FAR EAST

For the first time in history, New York Stock Exchange quotations and those of leading commodity exchanges are being broadcast daily by short-wave to the Far East.

In stock exchanges in the Orient, including those at Manila, Shanghai and Hong Kong, American and British business men have installed special receiving equipment to hear the latest reports from Wall Street. And since the start of the broadcasts, trade in American securities and commodities in the Orient has shown a decided increase.

The broadcasts were arranged by the new General Electric international broadcasting station KGEI, on Treasure Island in San Francisco Bay. This station, the sole short-wave broadcasting station west of the Mississippi, is the only United States station whose programs are regularly received in Asia.

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## STATE HOLDS NETWORK SUBJECT TO DAMAGE SUIT

The Washington State Supreme Court held Saturday at Olympia that the Columbia Broadcasting Company was dealing in interstate commerce and could be sued in the State of Washington. In a 4 to 1 opinion, the high court denied a writ of prohibition by which the company sought release from King County Superior Court on jurisdictional grounds.

The action started when the Waldo Hospital Association filed suit seeking to recover damages for an allegedly defamatory broadcast originating at the St. Louis affiliated station and broadcast over Seattle Station KIRKO.

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## CUBAN IMPORTS OF RADIO DECLINE IN 1939

Cuban imports of radio sets during the first nine months of 1939 numbered 13,669 units, with a total value of 257,310 pesos, as compared with 15,067 sets, valued at 361,672 pesos, entered during the corresponding period of 1938, according to the American Commercial Attache at Havana.

Imports of Netherlands sets during the first nine months of this year numbered 1,981 valued at 31,462 pesos, as compared with 1,674 units valued at 34,070 pesos, during the corresponding period of last year.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.




INDEX TO ISSUE OF NOVEMBER 24, 1939




No. 1177

## WAR OUTBREAK FAILS TO HALT U.S. RADIO EXPORTS

Despite the outbreak of the European war, United States radio exports continued to climb in September and actually set a new high mark for receiving set sales abroad, according to a compilation by the Electrical Division of the Bureau of Foreign and Domestic Commerce.

The receiving set exports valued at $1,033,200 established an all-time high, while total radio exports, amounting to $1,995,646, were the largest of any month during 1939. Radio exports for the nine months ending with September, totalled $15,368,091, only slightly below those for the corresponding period in 1938.

Brazil was the largest purchaser of American radio equipment, valued at $140,581. Mexico and the Union of South Africa were the next most important markets, receiving shipments valued at $96,941 and $91,404, respectively. Great Britain imported $89,980 worth of American-made products, while other important outlets for this class of merchandise were found in Colombia, British India, Venezuela, Philippine Islands, Chile and Peru. Shipments to these markets varied at between $33,000 and $67,000.

Great Britain, Canada, Argentina, and Brazil were the foremost purchasers of radio receiving tubes; shipments to these nations being valued at $45,426, $38,130, $37,136, and $35,917, respectively.

Whe war caused great dislocations in foreign radio markets, the Radio Manufacturers' Association noted. The September Government report showed a "zero" for radio exports to Germany, usually small, together with great decreases (from the preceding month) in American radio exports to Belgium, France, Netherlands, Norway, Sweden, and also Canada, Turkey, and the Philippine Islands. Large increases during September were shown in radio exports to United Kingdom, Ireland, Portugal, Switzerland, Greece, and the Latin American countries, especially Mexico, Cuba, Brazil, Venezuela, Guatemala, Nicaragua, and Panama, and also increased exports to British India and the Union of South Africa. The usually small exports to Soviet Russia were normal. No September shipments to Spain were recorded.

Receiving set exports for the nine months ending last September totaled $7,140,609 compared with $6,914,979 for the nine months ending September 1938. Set exports last September numbered 52,897 valued at $1,033,200, against 41,218 sets valued at $802,154 in August and compared with 37,385 sets valued at $876,691 in September, 1938.

Radio tubes exported during the nine months ending September 1939 were valued at $2,139,808 compared with $2,030,943 during the nine months ending September 1938. Tube exports last September numbered 746,109 valued at $295,120, compared with exports of 719,781 tubes valued at $258,657 during the preceding month of August, and with September 1938 exports of 474,716 tubes valued at $198,402.

Radio parts and accessory exports during the nine months ended last September totaled $3,843,652 compared with $4,785,200 during the comparative nine months of 1938. Parts and accessory exports last September totaled $439,105 against $484,203 in September 1938.

Loud speaker exports were valued at $448,225 during the nine months ended September 1939, against $510,520 during the comparative nine months of 1938. Loud speaker exports last September numbered 22,645 valued at $31,066, compared with 31,529 valued at $47,437 in September 1938.

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C.P. LICENSEE THREATENED WITH RECALL BY FCC

The Federal Communications Commission for the first time this week directed the recipient of a radio broadcasting station construction permit to show cause why the authority should not be recalled. The ground given by the Commission was that the concern involved, the Kentucky Broadcasting Co., is not financially qualified to construct and operate the proposed station in the public interest

The issue was raised when the Kentucky company petitioned the Commission for a rehearing in the case of the Northside Broadcasting Corp., of New Albany, Ind., which had been granted a permit for increased facilities. The Northside station already is on the air.

The Kentucky corporation told the Commission the grant to the other company "would result in such severe loss of operating revenue to the petitioner's proposed station as to impair the service which it could render", and added: "It would destroy the ability of the Kentucky Broadcasting Corp. to render proper service in the public interest."

"Since the petitioner's station is not yet constructed, much less operating", the Commission said in its opinion, "and petitioner is not a licensee under the act, and is not engaged in the operation of a broadcast station, it is difficult to see how proof of the allegations could constitute proper grounds for a denial of Northside's application. At the most, such allegations cast serious doubts upon the petitioner's financial qualifications to construct and operate its proposed station."

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## FTC CLOSES CASE AGAINST THREE RADIO FIRMS

The Federal Trade Commission has closed its case in which International Radio Corporation, 559 Williams St., Ann Arbor, Mich.; Wieboldt Stores, Inc., 106 South Ashland Blvd., Chicago, and Davega-City Radio, Inc., 76 Ninth Ave., New York, were charged with misrepresentation in the sale of radio sets.

The three respondent companies have agreed to discontinue the unfair practices charged in the complaint and to accept and abide by the rules of fair trade practice for the radio receiving set manufacturing industry as promulgated by the Commission July 22, 1939.

The case was closed without prejudice to the Commission's right to reopen it, should future acts so warrant.

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## RMA DIRECTORS TO CONSIDER XMAS RADIO PROMOTION

Industry plans for 1940, including radio sales promotion, and results of the closing year, will be discussed by the Board of Directors of the Radio Manufacturers' Association, Wednesday, December 6, in Chicago. Among the 1940 sales promotion projects to be considered will be short-wave radio, which has been greatly stimulated by the war, and a joint national promotion of the National Association of Broadcasters and the RMA. The latter includes the national "Radio Christmas" promotion for which details have been sent by the NAB to all of its member stations and in which a large number of local broadcasters, in addition to all networks, have agreed to participate, beginning early in December. (See story in Nov. 21 issue) Many local utility companies also are cooperating in the radio promotion by inserting enclosures in their December bills to customers calling attention to specific programs in suggesting the purchase of new and additional radios for Christmas.

In short-wave promotion, there has been a large increase in the weekly RMA programs of short-wave broadcast stations and further stimulated by the sponsored programs now permitted on American short-wave stations.

The Board will also make arrangements for the Sixteenth Annual Convention to be held in Chicago in the Spring. They will likewise receive reports on technical advances in the art, including television, facsimile, and frequency modulation. There will be a meeting of the Association's Export Committee in Chicago the day before the Director's meeting, Tuesday, December 5th.

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## RADIO STATIONS WATCHED ON RACE TRACK REPORTS

The Justice Department is studying the effects of radio broadcasts of race track results on inter-state gambling, it was learned this week, as a follow-up of its campaign which brought the closing of the Annenberg wire service.

Attorney General Frank Murphy stated that the "whole subject is under study" after newspapers pointed out that many gamblers, especially in the District of Columbia, were getting all of their information from radio stations.

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## S-W LISTENING GROWING IN MEXICO

Short wave is becoming more popular every day in Mexico due in part to the fact that United States stations and European ones have, during the past year, increased their broadcasts in the Spanish language, according to the U. S. Trade Commissioner at Mexico City. Short-wave programs from the United States are popular and their reception is good. Other western and European stations are heard regularly and are popular. Progressive improvement in Mexican broadcasting stations and other transmitters have improved reception and eliminated interference.

"Reception on the 49-meter band is not very good", the report to the Commerce Department said, "because there are too many stations operating on this frequency. There are not as many stations operating on the 31-meter band and, therefore, the reception is better than on the 49-meter band. Reception on the 25-meter band is the best. Reception on the 19-meter band is good at mid-day and during the early evening, on the 16-meter band good during the early morning and at noon time, and on the 13-meter band good during the very early hours of the morning. There have been no developments on the tropical bands. It is believed that there are not more than 12 or 15 ultra short-wave radios throughout the entire country."

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The Federal Communications Commission this week adopted a final order granting the application of WJMS, Inc., for construction permit to erect a new radiobroadcast station in Ashland, Wis., to operate on 1370 kilocycles with power of 100 watts, unlimited time, subject to certain conditions.

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STRICTER CONTROL OF TEMPORARY AUTHORIZATIONS SEEN

The Federal Communications Commission this week sent out notices to broadcast licensees that it will enforce more strictly henceforth the FCC rules regarding temporary authorizations.

Loose practices by individual Commissioners in granting temporary extensions for fulltime operation to stations licensed for only limited time will be stopped, it was said. A precedent established several months ago when WDGY, Minneapolis, was granted authority to operate fulltime on 1180 kc. resulted in pressure from Congressional and other sources for similar grants to stations in other areas.

At a special meeting the FCC decided to adhere strictly to its rules against such grants unless based on special programs of outstanding public merit. It was pointed out that extensions currently granted have been for one month periods covering all program renditions rather than those of special interest.

In its notice to licensees, the FCC said:

"The attention of all licensees of standard broadcast stations is called to the provisions of Section 1.365 of the Rules of Practice and Procedure. This section governs the filing and action on requests for special temporary authorizations. Two provisions are particularly called to the attention of these licensees. These provisions are briefly summarized as follows:

"1. Requests must be made 10 days prior to the time of desired operation. In special cases where the request could not be made on time, a full explanation must be made in the request as a basis for acceptance.

"2. The requests must be limited to temporary periods for the transmission of programs or events which are not recurrent.

"All requests for special temporary authorizations will be considered strictly under all other provisions of Section 1.365, as well as the two provisions outlined above. Requests for operation not in accordance with this section will not be granted.

"The provision requiring that the request be made 10 days prior to the desired time of operation means that events which are known 10 days in advance, such as the broadcast of election returns, addresses by prominent citizens, sports events, etc., must be filed 10 days before the event. In such cases a request for acceptance upon the basis that arrangements for the broadcast were not made 10 days prior to the event cannot be accepted. However, requests for operation in connection with an emergency or play-off of a sports event tie or championship

which could not have been foreseen, would constitute a basis for requesting an exception to the requirement for filing 10 days in advance.

"Requests must be limited to temporary periods for transmission of programs which are not recurrent. This means, for example, that a program concerning a community chest drive, the dedication of a public building, an address by a prominent citizen, a sports event, etc., may be considered, provided that only the actual time required for such operation is involved. Additional time for holding the audience or for the convenience of the licensee is not in order. Requests to carry programs which are recurrent and extend over considerable time, particularly beyond a definite 30-4ay interval, cannot be considered as proper basis for a request for temporary operation. Requests for such operation should be made by formal application in accordance with the rules governing the same.

"Any licensee making a request for a temporary authorization should read carefully and must comply fully with all provisions of Section 1.365. Such procedure is essential to avoid unnecessary expense and delay in the handling of the request."

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STUTTERING ON AIR HIT BY SPEECH TEACHER

Censuring the use of stuttering speech as comedy in broadcasting, Dr. James Sonnett Greene, founder and director of the National Hospital for Speech Disorders, New York City, has appealed to the program directors of 170 radio stations affiliated with major networks to halt the practice, asserting that it not only was unfair to those with speech defects, but also caused children to imitate stuttering and possibly acquire a permanent disorder.

In a letter to the program directors, Dr. Greene said:

"For many years we have been carrying on a crusade against depicting the stutterer in a 'humorous' or ridiculous role. However, we quite often hear the unfortunate stutterer used for comedy relief on the air. His handicap is just as real and just as serious as that of the person who has lost his sight or hearing. Yet no one thinks of deriding those who are physically disabled."

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## RADIO LAISON COUNCIL ORGANIZED IN NEW ENGLAND

The Radio Council of Western Massachusetts, a new venture in cooperation between the listening public and the radio industry, has been organized in Springfield, Massachusetts. Its membership is drawn from various sources, including women's clubs, education, men's civic organizations, churches, social agencies, and the radio industry. It attempts to voice the opinion of a representative section of the general public.

The avowed purposes of the organization, as stated in its charter, are as follows: (1) to provide a medium whereby persons and organizations interested in radio programs may confer; (2) to develop mutual cooperation between radio stations and the general public; and (3) to consider the effectiveness and desirability of local and network programs, and to encourage types of broadcasts best suited to the community.

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## COMMUNITY LISTENING ENCOURAGED IN GERMANY

Public address systems have been carried farther and are used more extensively in Germany than in any other country, the Commerce Department reports. The main reasons for this development are seemingly the great emphasis placed on the spoken word as the most efficient means of propaganda; the desire of having a complete network of public address systems as the fastest means of communication for anti air raid instructions; to provide workers with musical entertainment during breakfast and lunch time; and last, but not least, Government regulations concerning the installation of community receivers and the policy of the radio industry to supply them at very low cost.

Every large factory and office building is required to have a room for community reception and often loudspeakers are so arranged that employees do not need to leave their working premises for listening-in.

The enormous output of community receivers - over 1,500,000 units in 1938-39 - illustrates the wide spread use of public address systems but also of central receivers. It should not be overlooked that in most cases these community receivers are connected with several loudspeakers installed in various premises or at points of vantage in mass meetings.

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## TRADE NOTES

Substantial seasonal increases in radio factory employment, payrolls and working hours, together with the upturn in national industrial employment, were cited in the current employment report for August, 1939, of the U. S. Bureau of Labor Statistics.

Radio factory employment last August increased 4.8 percent over last July and was 38.3 percent above radio employment in August, 1938. The comparative indexes of the U. S. Bureau of Labor Statistics have been changed to conform to the 1937 Census of Manufactures, and the August radio employment index on the old series basis was 123 percent, compared with the July index of 117.3, while the new August index was 135.9. A supplementary government report stated that the percentage of radio employees laid off last August was 2.98 per 100, while the September percentage of layoffs was .86 per 100, compared with 1.27 per 100 in September 1938. The ratio of new radio employees hired last August was 8.16 per 100, and there followed in September an unusually large increase of 16.50 per hundred, compared with 7.67 percent in September, 1938.

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The Federal Communications Commission this week adopted a final order granting the application of Vincennes Newspapers, Inc., for a construction permit to erect a new radiobroadcast station in Vincennes, Indiana, to operate on the frequency 1420 kilocycles with 100 watts power, unlimited time.

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World Radio Market reports of the Bureau of Foreign and Domestic Commerce released this week covered the following: French Oceania, Cuba (supplement), Algeria, Bolivia, Mexico, Gibraltar, Burma, and Germany.

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New York socialites are planning a Television Ball on the night of December 15 in the Grand Ballroom of the Waldorf-Astoria for the benefit of the Goddard Neighborhood Center at 599 First Avenue.

The Ball Committee has arranged with the National Broadcasting Company for the telecast of the ball itself and three preliminary programs. With television as the theme of the ball, the special entertainment program will be telecast and guests at the party will be able to see the program as intercepted from the air on receivers installed in the ballroom for the occasion.

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RADIO HAS LOUD VOICE, WEAK HEART, SAYS EDITOR

Further criticism of the NAB Code ban on sponsored controversial talks came last week in an editorial published in the Washington Times Herald, which said as follows, in part:

"We've been doing some more investigating of the code of ethics clamped down on the radio industry October 1 by the National Association of Broadcasters and the further we go into the matter the greater grows our contempt.

"The central theme of the code is a project to keep down the broadcasting of programs which may cause public controversy.

"A very nice piece of window dressing has been installed to make it appear that the broadcasters are not trying to dodge their responsibilities but are eager to be fair to everybody. The NAB says they are not forbidden to give away time for controversial programs. They just aren't allowed to sell it.

"All the flossy chatter they can think up concerning free speech and equal debate can't conceal the catch in this.

"Radio stations, like newspapers, grocery stores and peanut peddlers, have to make a profit if they are going to stay in business. The station managers naturally sell all their time if they can. If they have a dull hour when not enough people are listening to make it worth while for an advertiser to sponsor a program, they are glad to have somebody fill in and save them the cost of paying for sustaining talent.

"But in the hours when lots of people are likely to be tuned in, they sell to the highest bidder, naturally.

"The radio industry, if it lets the NAB ride it with this 'no controversy' saddle, is taking a big chance on getting ridden straight into the corral of Government ownership. Which would be a catastrophe for all of us.

"Something a lot of broadcasters are inclined to overlook is the fact that they operate their stations only by public sufferance. The Government grants them a license, tax free, to maintain the very profitable and entertaining institution we call radio. And what the Government gives free it can take back.

"Every radio broadcasting license is granted on the premise that the holder will serve public interest, necessity and convenience. When he fails that test he isn't worthy to have the license any longer.

"And one of the elements of serving the public interest is giving rein to public discussion of public issues. We don't hold any particular brief for John L. Lewis, Father Coughlin, Elliott Roosevelt, ex-Congressman Pettingill, or anybody else insofar as the line of controversy he wants to stir up on the radio is concerned.

"But we do have a deep conviction that these gents ought to be allowed to pay the radio stations and get their controversial chatter out over the airwaves just as freely as the food companies shove their gelatine and coffee by courtesy of Charlie McCarthy and Jack Benny.

"Radio has the most powerful voice the world has ever known. It can reach the minds and heart of people up in the sky, speeding along the roads, at sea and under the earth. It has a duty to let those people in on whatever is controversial as well as whatever is the latest Broadway wisecrack.

"And it better develop a heart as strong as its voice is loud, or it is headed for the muffler."

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CHANGE IN BIG RADIO AD BUDGETS FORECAST

The intense scrutiny that advertisers and agencies are beginning to give to all media may bring about important changes in 1940 expenditures, according to agency executives, the New York Times reported this week. "Although there is disagreement on this point, some executives hold that there is a definite tendency to question heavy expenditures on radio and to wonder whether equal sums spent in publication advertising might not be more than profitable.

"Just as advertisers disliked the forced combinations in newspapers, so do some of them object to having to pay for certain stations in basic networks, covering territories in which they have a poor distribution. This objection has caused many of them to turn to spot broadcasting, accounting in part for the sharp rise in that medium this year. But the anxiety of many stations to become affiliated with chans may in turn hamper spot programs.

"Criticisms of media by advertisers, however, are not confined to radio. The rate differential between local and national advertising in newspapers is still a sore spot. As far as magazines are concerned, the chief reason apparently why linage does not increase at a greater rate is that advertisers dislike the time lag between approval of ads and publication in monthly magazines, under present unsettled conditions, it was said."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF NOVEMBER 28, 1939



No. 1178

November 28, 1939.

FCC EXPLAINS HOW ITS STAFF POLICES THE ETHER

The Federal Communications Commission this week explained how its field staff polices the ether, in a press release describing the various activities of its monitoring stations and inspectors.

In administering and enforcing laws, regulations, and international treaties pertaining to radio, the FCC depends largely upon its field staff, the review pointed out. The ether waves are, in effect, patrolled by 26 offices located strategically throughout the United States and its possessions, augmented by seven monitoring stations -- at Atlanta, Baltimore, Boston, Grand Island, Nebr.; Great Lakes, Ill.; San Pedro, Cal., and Portland, Ore.

The monitoring stations, in general, do not participate in the investigation of "pirate" or other unlicensed stations other than to report and record their signals as proof of operation. This task is performed mainly by inspectors.

The 115 inspectors in the Field Division are radio engineers and, in addition, are capable radio operators, many having had previous experience in maritime, aviation, and other communications services. They are familiar with the procedure employed by authorized stations, including the military, and this assists them in uncovering illicit operations. Inspectors are selected through Civil Service competitive examination.

Besides investigating unlicensed stations, these experts inspect all classes of radio stations -- broadcast, police, ship (domestic and foreign), amateur, aviation, and television; examine radio operators for various classes of licenses; monitor radio transmission for adherence to frequency, quality of emission and compliance with prescribed procedure; and investigate complaints of interference to radio reception.

The Federal Communications Act specifically prohibits the transmission of information concerning lotteries and other similar schemes. Licenses have been revoked for using obscene and indecent language on the air. Certain announcements are required of broadcasting stations, including identification. The law prohibits the transmission of false distress signals and the rebroadcasting of certain programs, except with authority of the originating station. A certain radio station was reprimanded recently for intercepting, decoding, and broadcasting secret radio communications of the British and German governments, in violation of the Federal Communications Act and treaty obligations. Also, there

is definite provision in the Act requiring regulation by the Commission "for the purpose of the national defense".

Though highly technical to the layman, the apparatus and technique employed by inspectors are well known to radio engineers. Advantage is taken of certain factors such as the directive properties of antennas, attenuation of field intensity with increased distance from the transmitting antenna and skip distance phenomena. When taking radio direction finder bearing, allowance is made for reflections from standing waves on wires, coastline effect, fading and polarization of waves.

In many cases of unlicensed operation in the broadcast band from 550 to 1600 kilocycles the inspector gains his information on the basis of complaints of broadcast listeners, particularly the ardent DX'ers, who are constantly striving to identify foreign stations and are quick to note appearance of a strange station in the band.

Frequently, an unlicensed station operating in the amateur bands first comes to the attention of an inspector when investigating a complaint of interference in the home of a broadcast listener by recognizing the interference as originating from key clicks in a telegraph transmitter even though the frequency of operation may be in a band many kilocycles removed from the broadcast band. Field offices also receive tips from the monitoring stations concerning the operation of illegal stations.

At each radio district headquarters, inspection cars are provided, one at least of which is equipped with an all-wave communication receiver which may be operated, if necessary, from the car's 6-volt battery while the car is in motion. Under certain conditions, it may be necessary to watch a station for a particular length of time. These receivers are constructed so that they may be removed from the car and operated from a 110-volt AC power supply available in a residence, tourist cabin or such other place that might be chosen by an inspector as a base of operation.

The mobile units are equipped with special antennas to help run down unlicensed stations. The mobile equipment is also used to transport examination equipment to various points in the United States where applicants for operator licenses are examined. In addition, technical equipment necessary for inspection of radio stations is so transported.

At certain field offices, mobile field strength measuring equipment is provided. This equipment is used primarily to determine the efficiency of broadcast station antennas. From the data accumulated, Commission engineers can ascertain whether a station is making legal use of its facilities. The actual coverage or service to the public from a technical standpoint is determined from these field intensity surveys.

The first determinations made by an inspector on the track of an unlicensed station are the call letters employed by the station as well as the station or stations called, the type of emission, frequency or frequency band used for transmission, time and duration of operation, nature of the communication, and whether in plain text or code (if a telegraph station, characteristics of the operator's "fist") and any other peculiarities.

In cases of this kind a milliammeter requiring but a small current for full scale deflection is fitted with a crystal rectifier which in turn is connected to a wire concealed in the trouser leg of the inspector, or in a loop circuit made in the form of a vest worn by the inspector. A device of this kind is easily concealed and the meter can be easily held in the hand or pocket of the investigator as he proceeds from floor to floor, or door to door, observing at what point the highest deflection of the meter occurs.

Resourcefulness, keen power of observation, and patience on the part of investigators have been of invaluable aid in the locating of transmitters, as for example, observing that a certain light circuit on a back porch was nearly resonant and became incandescent each time the key of the transmitter was closed.

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## FCC PREPARING TO ACT ON CRAVEN TELEVISION REPORT

The Federal Communications Commission was engaged this week in close study and discussion of the second television report submitted two weeks ago by the Special Committee headed by Commdr. T.A.M. Craven, and general approval was expected.

The industry is pressing for Commission action on the report, and the FCC is anxious to settle the problem involved, in order that the manufacturers may get a clear picture of just where they stand.

Members of the Commission have been besieged during the past week by representatives of various branches of the industry pleading for and against the report. Not all of the industry is convinced that television is ready for the public, and some have urged the Commission not to give its approval of this phase of communications at this time, in the belief that it will hurt the industry later.

On the other hand, in other branches of the industry, it was said at the Commission's offices, there is a belief that the art has reached such a stage where it should be presented to the public, not only to get public reaction, but also to give those who have spent millions in experiments an opportunity to capitalize, at least to some extent, on their expenditures.

The right to sell program time on a commercial basis is what is being sought by one group in the industry, as this is the only way in which any income may be expected to provide funds with which to continue experiments without continually delving into capital and earnings from other branches of the industry, it was asserted. However, the Committee, which has made a thorough study of the whole problem covering a period of many months, has recommended against this commercialization, but has made provision in its proposed new rules accompanying the report providing for sponsored programs.

But the restriction is that any funds contributed by the sponsors must be used primarily for the purpose of experimental program development. The intent of the rules should be, it was explained, to prevent commercial exploitation of television as a service to the public prior to demonstrated proof of its readiness for regular operation in accord with public interest, convenience and necessity.

As a matter of fact, programming for television broadcasts is one of the serious problems which has confronted the Committee. Such broadcasts will require an entirely new and most expensive technique, and members of the body believe that, if sponsors are available, their contributions at this time should be devoted to experiments with programs to find out just what part television is to play in the broadcast spectrum. When experimentation passes through this stage, then, the Committee informed the Commission, the body should be ready to consider a commercialization plan.

It is the belief of those who have studied the problem that further progress does not rest on experimentation with the technical phases, but rather on the development of public interest in it as a broadcast service. This is borne out not only by the fact that television has not gained the public acclaims expected of it in New York where, it was said, there are less than a thousand receivers, but on the public reaction to it in England and France.

While representations have been made to the Commission that failure to give television a boost by providing commercialization may end progress at this time, members of the Commission are inclined not to take this too seriously, since the industry is by no means unanimous on this point.

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A visitor from Chile interested in radios is expected in this country November 21, 1939, for a visit of one month. He will visit New York City only. His name and address while here can be obtained from the Bureau of Foreign and Domestic Commerce through its District or Cooperative Offices. A World Trade Directory Report is available.

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# ATTITUDE OF FCC TOWARD PRESS OWNERSHIP CHANGED

Concrete evidence that the Federal Communications Commission has altered its attitude toward newspaper ownership of radio stations since the days of former Chairman Frank R. McNinch has been accumulating in recent weeks.

All present indications are that the FCC now intends to act upon applications from newspapers on the same basis as those from other applicants without prejudice. Previously, under McNinch's domination, the FCC had been inclined to be hostile toward press ownership of radio stations, especially where there was danger that the newspaper might have a monopoly on news dissemination in any community.

The most recent decision, announced last week, was in favor of the Vincennes Newspapers, Inc., Vincennes, Ind. The applicant was granted a permit to construct a station at Vincennes for operation on 1420 kc. with 100 watts power, unlimited time.

Samuel M. Emison, as intervenor, raised objections to the early proceedings and cited the fact that the applicant was a newspaper syndicate that was not locally owned. The FCC rejected these flatly in its final report.

Exception was taken to the failure of the Commission to include a finding that the president of the applicant and the parent company, Central Newspapers, Inc., in which he has a majority stock interest, "not only does not reside in Vincennes but spends very little time there, being there probably twice a year", and also to the failure of the Commission to find that none of the five members of the Board of Directors of the controlling corporation reside in Vincennes or are familiar with the needs of that area.

In its brief in support of its exceptions, the intervenor argued that Section 310(b) of the Communications Act would be violated by a grant of this application because of a provision in a mortgage and deed of trust entered into on October 1, 1930, between the applicant and the trustee under the indenture. Under this provision, there are conveyed in trust all of the properties of the applicant, including all "property, real, personal and mixed, and any and all interest therein, which the Company may now own or shall hereafter own or which the Company may hereafter acquire or become entitled to acquire of whatsoever kind and description and wheresoever situated".

"If it be assumed that this provision may have the legal effect of transferring in trust any station license which may be issued to the applicant, it does not follow that a violation of Section 310(b) of the Act will result", the FCC stated. "The types of transfers which this section is designed to prohibit are those which may involve the construction, operation, or maintenance of broadcast facilities or control of the operations of a

station by the transferee or any person other than the person who has been authorized by the Commission for such purposes. Neither the foregoing provision nor any other provision in the indenture would have this effect except in the event of default on the bonds. The Commission cannot assume that such default is a likely contingency in the fact of its findings with respect to the applicant's present financial condition. Aside from the question of the probability of the occurrence of default, however, the presence of this contingency is no legal basis for the denial of the present application since it cannot be assumed that anyone other than the applicant will or may control the operations of the proposed station without prior Commission assent or approval pursuant to Section 310(b) of the Act, nor will the grant of this application imply any determination to this effect by the Commission.

"For the same reasons, the foregoing provision does not render the applicant legally unqualified on the theory that it is not the real party in interest herein. Such a contention would lead to the result that either the trustee or the holders of the bonds, or both, are the real parties in interest. Since it is apparent that under this provision the construction, operation and maintenance of the station and control of its operations would not be in the trustee or bondholders, such a contention is clearly untenable."

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## AMATEUR RULES AMENDED, EFFECTIVE DECEMBER 1

The Federal Communications Commission this week announced amendments in the rules allocating frequencies to amateur stations to conform with changes in the spectrum necessitated by the permanent allocation of frequencies above 30,000 kc. The changes will become effective December 1st.

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## CAMDEN PUTS MUNICIPAL STATION ON BLOCK

Mayor George E. Brunner announced last week the city of Camden, N.J. would dispose of its radio station, WCAM, to any one who makes a suitable offer. The station has lost money for the last two years, the Mayor said, because the Federal Communications Commission, under threat of revoking the license, required the city to operate it instead of renting it.

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# CANADA RAISES FEES ON PRIVATE RADIO STATIONS

A substantial increase in the government license fees payable by private commercial broadcasting stations in Canada has been put into effect recently, according to the American Commercial Attache at Ottawa. The license for such stations under the radio regulations issued by the Department of Transport heretofore was $50 per fiscal year ending March 31. The new schedule provides a minimum fee of $50 for a station of 100 watts or less operating in a service radius with a population of less than 25,000. The fees for a 100 watt station range up to $500 per fiscal year, this rate applicable when the service radius exceeds 500,000 persons.

Broadcasting stations with a wattage power between 250 and 1,000 watts will pay annual license fees ranging from $100 to $700, depending upon the population of the area served; stations powered with equipment for 5,000 to 10,000 will pay fees from $500 to $4,000. Stations of 15,000 watts covering a service radius of less than 500,000 people will pay $3,000 and if the service radius covers more than 500,000 people the fee will be $4,000. Stations with a power of 20,000 to 25,000 watts will pay $5,000 in service areas covering less than half a million persons, and $7,000 in more populous areas. Stations powered with 50,000 watts for which the service radius is defined as 100 miles will pay a license fee of $8,000 if the service radius contains a population of less than 1,000,000 persons and a fee of $10,000 in more populous districts. Annual fees for stations powered in excess of 50,000 watts (none such operate in Canada at present) will be determined by Order in Council.

It is anticipated that the new schedule of fees operative in the fiscal year beginning April 1, 1940, will produce an annual revenue of approximately $26,000 in contrast to $4,250 which accrued under the flay $50 rate operative in the fiscal year ended March 31, 1939.

Minor changes in the radio regulations provided in the same Order in Council exempt private radio receiving stations using a crystal receiver from the annual license fee of $2.50 collected on each private receiver utilizing vacuum tube circuits. Further, the receiver license fee is waived in the case of special commercial stations employed by public utilities and manufacturers of electrical apparatus for the sole purpose of investigating inductive interference. The fee for a broadcasting station operated on a non-commercial basis by universities is established at $50 annually.

Radio dealers heretofore required to obtain assurance from a purchaser of a receiving set that a private receiving station license had been secured are no longer under such obligation. In the future, vendors of radio receiving sets shall inform the Radio Branch of the Department of Transport the names and addresses of individuals who purchase a radio receiving set.

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## TRADE NOTES

The Federal Communications Commission this week granted permission for Station WMAL, The Evening Star station, leased to the National Broadcasting Company, to construct a new transmitter on a site northwest of Washington and to increase its maximum power tenfold. Directional antennae will be used with the greater power, 5000 watts. The station transmitter now operates daytime with 500 watts and at night with 250 watts.

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The New York Employing Printers' Association, Inc., announced last week that the three major promotional releases of the Mutual Sales Promotion Department had each won a special award of merit in its Fifth Annual Exhibition of Printing. The Mutual pieces selected were: "Some Think Them Sacred", "The Guinea Pig Goes to Town", and "How Big Is A Rubber Band?"

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The Electrical Division, Bureau of Foreign and Domestic Commerce, has received a copy of tender and specifications covering one long wave marine radio beacon transmitter to be purchased by the Post and Telegraph Department of the New Zealand Government, delivery to be made at Wellington, New Zealand. Closing date for bids is January 23, 1940. Interested firms may obtain a copy of the tender and specifications on a loan basis upon request to the Electrical Division or any of the Bureau's District or Cooperative Offices.

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The Dallas (Tex.) Morning News and radio station WFAA have resumed daily facsimile broadcasts over their transmitter W5XGR, for the first time since the close of the State Fair of Texas on Oct. 22, and will continue them without interruption, providing a daily newspaper service by radio. The first edition contained United Press news, cartoons, comics and pictures. Gene Wallis is editor of the facsimile edition. The radio edition will go on the air each day, including Sunday, between 2 P.M. and 4:30 P.M. Some receivers are on display at business houses in downtown Dallas. The receivers, through timing devices, begin operating and shut off automatically.

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When WROK Rockford, Ill., becomes an affiliate of the Mutual network on December 1, the newcomer brings Mutual's nationwide tally to 123 stations. WROK will operate on 1410 kilocycles with 1000 watts day, 500 watts night.

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Elliott Roosevelt announced Sunday night, according to an A.P. report from New York, that the Transcontinental Broadcasting System would go on the air New Year's Day with a nationwide network of more than 100 stations. Roosevelt, President of the new chain, said the Board of Directors included John T. Adams, General Manager of the Texas State Network, President; William A. Porter, Washington lawyer, Vice President, and H. V. Brennan, owner of two Pittsburgh (Pa.) stations, Treasurer.

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Wilfred S. Roberts, who recently rejoined the National Broadcasting Company after a six months leave of absence during which he was under contract to Paramount Pictures, has replaced William S. Rainey as Manager of the NBC Production Division, John S. Royal, Vice President in Charge of Programs, announced last week. Mr. Rainey, who has been with the company since December, 1927, has resigned to join the Trans-American Broadcasting and Television Corporation as a program executive.

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BETTER RADIO TRADE WITH PERU SEEN BECAUSE OF WAR

American electrical equipment, including radios, probably will find a greatly improved market in Peru as a result of the European war, according to an analysis of American-Peruvian trade by Bernard I. Feig, of the Electrical Division, Bureau of Foreign and Domestic Commerce.

Radio receiving sets and refrigerators heretofore have constituted the largest trading items in electrical equipment, the report points out. Radio set sales for the years 1936, 1937, and 1938 were $315,000, $298,000 and $156,000 respectively.

"The serious decline of 50 percent in United States radio receiving set sales to Peru between 1936 and 1938 may be attributed to a number of factors", Mr. Feig said. "Extremely vigorous sales campaigns based on over-liberal credit terms resulted in a saturated market condition which in turn put a damper on radio sales. In addition, European competitors, chiefly the Dutch Philips and several German manufacturers, increased their sales efforts and succeeded in winning over some of the business which was formerly dominated by Americans. To further add to the problems confronting American radio exporters, the depreciated currency and shortage of dollar exchange have also operated to limit importations of American merchandise.

"A more immediate reason for more favorable American-Peruvian trade prospects may be found in the prevailing European war. Several of the countries now directly involved and a number of those indirectly hampered by military and naval operations have heretofore supplied an important share of Peru's electrical needs, and have been responsible for America's declining participation in the Peruvian electrical trade. Now that many of them can no longer render efficient service nor give this market the same vigorous attention as previously, it may be expected that Peruvian importers will necessarily turn to the United States for many of the electrical supplies formerly purchased from Europe.

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## ALMONTE AGAIN NBC NIGHT HOST

John de Jara Almonte, Assistant to the President of the National Broadcasting Company, has been transferred from the World's Fair, where he was in charge of the RCA exhibit, to the New York office of the networks. Mr. Almonte will act as official host of NBC in the evening and will represent the President, Executive Vice President and Vice President in Charge of Sales.

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## RCA DECLARES DIVIDENDS FOR QUARTER

Following the meeting of the Board of Directors of the Radio Corporation of America last week, David Sarnoff, President of the company, announced that the following dividends had been declared:

On the outstanding shares of $3.50 Cumulative Convertible First Preferred stock, 87-1/2¢ per share, for the period from October 1, 1939, to December 31, 1939, payable in cash on December 21, 1939, to the holders of record of such stock at the close of business December 4, 1939.

On the outstanding shares of "B" Preferred stock, $1.25 per share, for the period from October 1, 1939, to December 31, 1939, payable in cash on December 21, 1939, to the holders of record of such stock at the close of business December 4, 1939.

On the outstanding shares of Common stock, 20¢ per share, payable in cash on January 16, 1940, to the holders of record on such stock at the close of business Dec. 8, 1929.

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## RADIO INDUSTRY SPONSORS CHARITY DINNER

The third week of the 1939 merged appeal of the New York and Brooklyn Federation of Jewish Charities was ushered in last Sunday night with a dinner in the Hotel Waldorf-Astoria attended by 1,200 representatives of the radio, music, refrigeration and allied industries.

The dinner was the eleventh annual affair sponsored by the radio industry and was part of the campaign to raise funds for the 116 affiliated hospitals, orphan asylums, family service agencies, community centers and other welfare agencies serving Greater New York. The tickets to the dinner wer $100 a couple.

Among the guests at the dinner were David Sarnoff, James Skinner, Elmer Cunningham, A. Atwater Kent, Powel Crosley, Jr., Larry Grubb, George Throckmoor, George Mason, Arthur Murray, Benjamin Abrams, E. G. Bigler, F. M. Merrick, Charles Wilson, Westley M. Angle, I. Goldberg, Frank Hiter and H. M. Stein.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF DECEMBER 1, 1939



No. 1179

FLY AGAINST COMMERCIALIZATION OF TELEVISION

Chairman James L. Fly this week told newspaper men that he thought television has not developed to a stage where it can be placed on an outright commercial basis as the Federal Communications Commission discussed the Craven report at several conferences.

Indicating that the full Commission will approve the major recommendations of the Special Committee, Chairman Fly said:

"We will act expeditiously. There are no sharp issues involved, and we have no desire to retard development or keep the industry guessing."

Mr. Fly said he thought there are "serious dangers" to "barging ahead" in the commercial field of television, but he expressed no objections to the experimental program sponsorship suggested by the Committee as an aid to experimenters.

"There is still ample room for development in television", he commented. "Those of you who saw examples of television at the New York World's Fair will agree with me that it still has some way to go."

The FCC Chairman cautioned the reporters, however, against pessimism regarding the new industry.

"Great progress has been made", he said, "and progress will continue to be made. But to put television on a broad commercial scale at this time is to ignore the facts."

Chairman Fly then proceeded to explain that any substantial change in television transmission would make obsolete all present receivers at a loss to the public. He said a television set cannot be compared to an old automobile or an old radio receiver. They can be used until they wear out, but a television set might be made useless overnight by technical developments in transmission.

Public hearings doubtless will be held before any final regulations governing television are adopted by the Commission, Mr. Fly said. Ample opportunity will be given all interested parties to state their case.

Asked whether the FCC had considered proposing any cross-licensing of television patents in order to spur the industry forward, Mr. Fly said such a matter is bound to come up in a consideration of the broad problems involved. He did not amplify this statement.

Mr. Fly also disclosed that the Commission is not through with its examination of the ownership and management of stations, some of which already have led to revocation of licenses.

"I think the Commission can afford to give more attention to ownership of stations", he said. "We have the duty of seeing to it that responsible people are protecting public interests in broadcasting."

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NEW YORK STATION GIVEN THREE-LETTER CALL

On request of the New York Broadcasting Corporation, the Federal Communications Commission this week assigned call letters WOV to the new broadcast station to be constructed by that corporation in New York City, to operate on the frequency of 1100 kilocycles, with power of 5 kilowatts, unlimited time.

The new station will supplant three existing broadcast stations, namely, WOV and WBIL, New York City, and WPG, Atlantic City.

It has been the practice of the Commission not to assign three-letter calls to broadcast stations except in cases where "good will" has attached to the use of such existing call letters, as in the case of WOV. This is because conservation of three-letter calls for land stations, such as communicate with ships and planes, is implied in International Telecommunications Convention of Madrid, 1932. This convention makes no provision for assignments of call letters to broadcast stations. As a result, some foreign stations do not use call letters. There is no provision in the Communications Act relating to assignment of call letters in this country apart from blanket authority to the Commission to do so.

While the Commission issues four-letter calls to new broadcast stations as a general rule, it has not yet been necessary to replace three-letter calls previously assigned broadcast stations in order to make these calls available to land stations. Consequently, the good-will value of existing three-letter broadcast calls is considered as cases present.

Eighty-four broadcast stations still retain three-letter identification calls.

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# FTC DENIES RMA REQUEST ON TUBE RULE

The Federal Trade Commission announced to the industry this week that it has denied the request presented by the Radio Manufacturers' Association for modification of the provisions of paragraph (k) of Rule 3, Group I, of the Trade Practice Rules promulgated July 22, 1939, for the Radio Receiving Set Manufacturing Industry.

In a letter to the RMA, the FTC said:

"Reference is made to your letters of October 19 and 23, 1939, and to the request presented by your Association for modification of the provisions of paragraph (k) of Rule 3, Group I, of the Trade Practice Rules promulgated by the Commission on July 22, 1939, in respect to radio receiving sets, parts and accessories.

"Representatives of your Association conferred in the matter with Commission representatives on November 2, at which conference they requested specifically that such provisions of the rules be modified by striking out the following words from the first sentence of such paragraph (k), namely, 'in the detection, amplification and reception of radio signals', also that the last sentence of the note appended to such paragraph be deleted, such sentence being as follows:

> "'References to rectifier tubes, and to tubes, devices or accessories which do not serve as signal amplifying or detecting tubes or heterodyne oscillator tubes, should be such as to clearly avoid misunderstanding or deception of purchasers.'

"Careful attention has been given to the matter, and you are advised that upon full consideration the Commission has denied such request for modification of the rule.

"In this connection it is stated that the provisions of the rule relate to matters involving the sale and distribution of commodities in interstate commerce and are directed toward protection of the purchasing public and fair competition from deception and misrepresentation in respect to tubes.

"The Federal Trade Commission Act, administered by the Commission, prohibits as illegal such methods of competition and acts or practices in interstate commerce which are unfair or deceptive, and directs the Commission to proceed, where necessary in the public interest, against persons, partnerships or corporations using such unfair or deceptive methods, acts or practices. These provisions of law are of general applicability and it is an essential requirement that the rule shall in no wise appear to sanction practices or advertising methods which may be found to fall within such statutory inhibitions. It does not appear that the rule if modified as requested would be in harmony with such legal principles."

In respect to the matters involved, the provisions of paragraph (k) of Rule 3, Group I, read as follows:

"RULE 3 - Specific Types of Advertisements or Representations among Those Prohibited:

It is an unfair trade practice for any member of the industry to use, or cause to be used, any of the following described types of advertisements or representations:

* * * * * * * *

(k) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented contains a certain number of tubes or is of a certain tube capacity when one or more of such tubes in the set are dummy or fake tubes, or are tubes which perform no useful function, or are tubes which do not perform or were not placed in the set to perform the recognized and customary function of a radio receiving set tube in the detection, amplification and reception of radio signals.

(NOTE: In order to avoid and prevent deceptive or misleading tendencies or results, so-called "ballast tubes", dial or other lamps used for illumination, so-called plug-in resistors, and other accessories or devices not serving the recognized and customary function of a radio receiving set tube, are not to be included as tubes in advertisements or representations of a radio receiving set which describe or refer to the set as having a certain number of tubes or as being of a specified tube capacity. References to rectifier tubes, and to tubes, devices or accessories which do not serve as signal amplifying or detecting tubes or heterodyne oscillator tubes, should be such as to clearly avoid misunderstanding or deception of purchasers.)"

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## WIRE MERGER BILL BEING PREPARED BY FCC

The Federal Communications Commission is preparing the draft of a proposed bill for merger of the Western Union and Postal Telegraph Cos., Chairman James L. Fly of the FCC said this week at a press conference. The measure will be sent in about ten days to Chairman Wheeler of the Senate Interstate Commerce Subcommittee, which is to investigate the merger problem.

A Commission group, headed by Mr. Fly, has been working for some weeks in collecting data on the telegraph companies, and this information, together with the proposed bill, will be ready for submission to the Wheeler Committee within 10 days.

The proposed measure is expected to be one which has the endorsement of the administration, as Senator Wheeler has indicated he would consider only a measure which has been approved by the executive branch of the Government.

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## NINE MILLION SET SALES FORECAST FOR 1939

The year 1939 will set a new record in the production and sale of radio receiving sets, in the opinion of O. H. Caldwell, editor of Radio Today and former Federal Radio Commissioner. Answering an inquiry from Victor M. Ratner, of Columbia Broadcasting System, Mr. Caldwell wrote:

"Answering your inquiry, this year, 1939, will see the largest unit production of radio sets in all the history of radio.

"Nine million new radios will be sold by American manufacturers during 1939.

"This will bring up to 45,200,000 the number of radios in use by American listeners.

"From the beginning of broadcasting I have annually compiled the production statistics of radio, and base the above advance estimate on the fact that all reports so far this year show sales to be up 26 percent ahead of 1938 when total set sales were 7,100,000 (7,100,000 x 126% = 9,000,000 sets for 1939).

"Since our dealer reports show that only 50 percent of any year's sales are replacements, the remaining one-half of 1939 domestic sales (8,400,000) can be assigned as becoming new "listening posts", making 45,200,000 total such listening posts (homes, autos, portables, business places, etc.) in use as 1940 opens.

"It is even more significant that the unit value of the radios sold this year is steadily going up. The dollar value of the radios sold this year (1939) is running 30 percent to 35 percent ahead of a year ago, showing that the purchasing public is again demanding quality receivers to listen adequately to the magnificent musical and dramatic broadcasts now on the air."

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## N.Y.C. POLICE MAY CARRY HIDDEN "MIKE"

New York City's Police Department is conducting extensive experiments on the possibility of having policemen carrying an undetectable portable radio transmitter that can be used in gathering evidence, Commissioner Lewis J. Valentine has disclosed. He declared that there now were two such portable transmitters in use for experimental purposes. He said that with the microphone hidden under a person's vest, the instrument could pick up and broadcast an ordinarily spoken message 200 feet.

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## RCA SHOWS FCC PORTABLE TELEVISION PICK-UP

The first demonstration of a new type of portable outdoor television pickup equipment was to be made for Federal Communications Commission officials today (Friday).

The Radio Corporation of America laboratories sent the new equipment to Washington. The transmitting apparatus was set up on the south side of Pennsylvania Avenue at Thirteenth Street, N.W., and the receiver in one of the offices of the FCC.

The new equipment replaces the old 10-ton trucks which heretofore were necessary to transport the heavy mechanism. According to RCA officials in Washington for the demonstration, the new type is one-tenth of the weight of the material formerly used and is one-sixth as costly.

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## "SSSS" HASN'T DISPLACED "SOS", SAYS FCC

News dispatches from the war zone report that "SSSS" is rivaling "SOS" as the marine radio operators call of distress. If this is fact, the former is not internationally recognized as is the "SOS" signal in the International Morse Code, according to the Federal Communications Commission.

In any event the "SSSS" does not officially mean "Submarine Sighted" or any other particular words beginning with "S". The explanation is that the dot-dot-dot four times repeated (... ... ... ...), representing these letters, has a characteristic swing and through common understanding and usage identifies the nature of the distress case.

"SOS" does not mean literally "Save Our Souls", or "Save Our Ship" as is sometimes claimed, any more than the previous international distress call "CQD" meant "Come Quick Danger", the FCC pointed out. All such calls are based on the speed and clarity with which they can be transmitted.

There was no special wireless call for sea emergency prior to the turn of the century, according to Federal Communications Commission records. About that time the Marconi International Marine Communication Company, Ltd., began equipping ships for radiotelegraph communication. In doing so it adopted "CQ", which had been in use in wire telegraph as a "general call" for many years, as a precedence signal for any ship desiring to communicate with another ship or shore station.

The need for a common distress call was recognized at the preliminary International Radio Conference held at Berlin in 1903. Here the Italian delegation suggested that in emergency a ship should send at intervals the signal "SSSDDD". No action was taken at this conference.

In 1904 the British Marconi Company instructed its ship radio stations to substitute "CD" for "CQ". Subsequently, the "D" was inserted in the old "CQ" call. At the 1906 International Radio Conference at Berlin, however, "SOS" was formally adopted. This combination was the outgrowth of "SOE"(...---.) which had been used by German ships but which was somewhat unsatisfactory because the final dot was easily obliterated by interference.

Even so, "CQD" was so firmly established with some operators that its use was continued for some years thereafter. A notable example was its employment in summoning aid for the steamship "Republic" in 1909. "CQD" finally passed from the sea calls when the international radio conferences continued to approve "SOS".

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LISTENER BOOKLETS AID EDUCATIONAL BROADCASTS

Pioneering along a new frontier, the U. S. Office of Education announces the inauguration of a plan to combine the advantages of radio and print for the advancement of education.

The program which takes at least 3,000,000 listeners to the Smithsonian Institution every Sunday afternoon now provides a handbook to help radio visitors remember what they have "seen" and heard by radio. "THE WORLD IS YOURS" radio series will be parralleled by "THE WORLD IS YOURS" weekly illustrated bulletins.

U. S. Commissioner of Education J. W. Studebaker today announced the beginning of the publication plan by the U. S. Office of Education, Smithsonian Institution, the National Broadcasting Company, and Columbia University Press. "THE WORLD IS YOURS" is heard every Sunday afternoon from 4:30 to 5:00 P.M., EST, over nearly 80 stations of the National Broadcasting Company's Red Network.

Inauguration of the new radio-print plan has been prompted by the persistent demand from listeners, more than 400,000 of whom have requested supplementary material to the radio programs; and by recent research findings which indicate that the learning rate of radio plus print can be greater than the learning rate obtainable by using either radio or print alone.

The new booklets, designed to promote the self-education of radio listeners, contain popularly written scientific articles prepared under the direction of the Smithsonian curators, explanatory charts, graphs, and other illustrations, reprints from the scripts, as well as suggestions for additional reading. W. P. True, Editor of the Smithsonian Institution, supervises the preparation of the aids.

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# BRITISH INDUSTRY CAUGHT WITH TELEVISION STOCK

With the cessation of television transmission in London at the outbreak of the European war, British retail dealers have been caught with an unsaleable stock of television receivers valued at approximately £250,000 or $1,250,000, according to the Wireless & Electrical Trader.

The trade organ stated that Sir Noel Ashbridge had cited three reasons for discontinuance of the visual broadcasting service. They were: (a) interests of national security, (b) to relieve engineers needed to maintain a 24-hour sound service, and (c) the high cost of the service in relation to the comparatively small number of viewers.

Setting forth the results of a survey conducted among retailers, the Trader commented:

"(1) Dealers were asked to indicate the retail value of television sets they had in stock at the time of filling up the form (that is, early in October). The lowest return was £20, and the highest £716 17s. (from a radio dealer and not a departmental store, it may be remarked). In total, the 113 dealers who gave information had stocks amounting to £14,364 14s.

"There is no reason to suppose that the figures in The Trader's possession do not strike a fair average, and if that is so it follows that the 2,000 dealers who have been handling television had on their hands immediately after the outbreak of war some £254,230 worth of television sets - dead stock until the service is re-started. It is likely that stocks in the hands of manufacturers are still greater.

"(2) Dealers were next asked to state the retail value of sets they already had out on uncompleted hire purchase. The total for 113 dealers was £10,690 7s.

"This would make the total for 2,000 dealers something in the neighborhood of £189,200.

. . . . . .

"(4) The fourth point was an equally difficult one to answer: number of general complaints about lack of television service. In this case the figures quoted varied enormously; many left blanks; and others indicated 'Numerous', 'Lots', 'Dozens', 'Very many', 'From all', and so on. Several dealers added footnotes to their questionnaire forms to say definitely that they could sell television sets if a service were available, and a number specially emphasized the fact that the black-out made such a home entertainment as television more desirable than ever.

"(5) In dealing with the fifth point, it was possible to be more definite with figures, for dealers were asked to estimate the number of sets they would have sold between September 1, 1939, and August 31, 1940, if war had not broken out. The total

indicated by 113 dealers was 3,577, so that 2,000 dealers in the television service area might have sold 63,310 televisors in the current year.

"In other words, the retail side of the industry alone has at this momend a dead stock of some $250,000 worth (at retail prices) of television sets, and is losing the sale of a possible 60,000 televisors during the current season."

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## TRADE NOTES

The Federal Communications Commission granted the application of M. C. Reece for a construction permit to erect a new station in Phoenix, Ariz., to operate on the frequency 1200 kc., with power of 100 watts night, 250 watts until local sunset, unlimited time.

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Benson K. Pratt, who has been publicizing the Blue Network, has resigned from the Press Department of the National Broadcasting Company, as of Dec. 2, to become Publicity Director for District Attorney Thomas E. Dewey's campaign for the Republican nomination for the presidency. Art Donegan, who has been handling trade news for NBC, succeeds him.

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A new company has applied for a construction permit for a new radio station at Salisbury, Md., the Federal Communications Commission has announced. The company, Delmarva Broadcasting, seeks to operate on 1,500 kilocycles, with power of 250 watts, unlimited time. Paul E. Watson, Sailsbury banker, is president of the company; William H. Morton, vice president, and Robert N. Rogers, secretary-treasurer.

The FCC recently instituted a license revocation proceeding against Station WSAL at Salisbury, alleging that Frank M. Stearns, the licensee, made false statements concerning the ownership, management and control of the station.

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Station WOLS, at Florence, S. C., will become affiliated with the National Broadcasting Company on December 25, according to Niles Trammell, NBC Executive Vice-President, and will be available as a bonus outlet to advertisers using Station WIS in the NBC southeastern group. WOLS is operated by O. Lee Stone on a frequency of 1200 kilocycles, daytime, and 100 watts power. It will be NBC's 181st affiliate.

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## RCA TESTS SALES OF PRICE-CUT TELEVISION SETS

In a test to determine whether sharply reduced prices on television sets will bring in sufficient business to assure quantity production and lower costs, the RCA Manufacturing Company has just completed a two-months' campaign in Newburgh, Poughkeepsie and Middletown, in which more than 100 sets were sold, according to the New York Times.

"In discussing the campaign, officials of the company emphasized the point that no decision as yet has been reached on whether prices will be reduced", the Times said. "The results of the drive will be thoroughly analyzed and discussed with metropolitan distributors and dealers before any final decision is made. Trade discounts and various other practices have to come under scrutiny before the company reaches any decision on prices, it was said.

"Newspapers were used to advertise the sets, although copy carried no prices. The $600 sets were reduced to $395, the $450 sets to $295 and similar reductions were made in the cheaper models. The public showed a particularly good response to the cheaper models, particularly around the $200 range.

"While the company made no official comment on the test, it is regarded by others in the field as showing that the public will purchase sets if they are priced at levels considered by consumers to be reasonable. The area covered, Newburgh, Middletown, Poughkeepsie and surrounding territory, represents about one-thirtieth of the pupulation of the metropolitan district.

"The fact that the Newburgh public in two months bought 100 sets as against sales of only 1,000 in the entire New York area since May indicates very graphically that prices have been one of the chief factors in the slow sales, according to observers.

"Another reason is the quality and quantity of the programs. National Broadcasting Company has been striving to improve the quality of its telecasts and Columbia Broadcasting System is now expected to get under way with programs around Feb. 1.

"Although no assurance of lower prices on television sets has been given yet, the general impression in the trade is that sets will be reduced for 1940. The industry is still conservative about sharp sales gains next year but expects that volume will be substantially larger than it was this year."

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## WESTINGHOUSE ADDS TO BALTIMORE RADIO PLANT

Construction work has begun on an $80,000 addition to the manufacturing plant of the Radio Division of the Westinghouse Electric and Manufacturing Company, Baltimore, it was announced this week, by Walter Evans, Manager of the division. The structure will add 42,000 square feet, doubling the manufacturing space and providing additional receiving and shipping facilities. It is expected to be ready for use by January 1st.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF DECEMBER 5, 1939



No. 1180

December 5, 1939

NON-COMMERCIAL STATIONS MUST HUG THE WAVES

The Federal Communications Commission this week sent out notices to all licensees of relay, international, high frequency, non-commercial educational, facsimile, television and developmental broadcast stations that they must henceforth adhere closely to their assigned frequencies.

Calling attention to a rule that became effective September 15th last, the FCC said that each of the non-standard stations, except relay, shall operate continuously a frequency monitor having an accuracy sufficient to determine that the operating frequency is within one-half of the allowed tolerance.

Any station not now having the required monitor, the FCC said, "shall not operate until such monitor is obtained and placed in operation".

A frequency monitor is defined as a device which will indicate automatically whether or not the operating frequency is within the allowed tolerance, as contrasted with "frequency meters" which require a certain amount of manipulation by a skilled person. A frequency monitor is required and a frequency meter is not acceptable, the FCC said.

"Frequency monitors designed for amplitude modulation may be used in conjunction with stations employing frequency modulation, it being understood that these monitors will only give an indication of the center frequency on no modulation", the notice added.

"The frequency monitors used in compliance with this rule by all broadcast stations other than standard broadcast are ordinarily calibrated at the laboratory of the manufacturer. However, the maintenance of the constancy of calibration is the responsibility of the licensee. The licensees of all stations shall be prepared to demonstrate to a representative of the Commission that the frequency monitor has the required accuracy.

"Licensees operating two or more stations at the same location coming within the purview of Section 4.1 (formerly 40.01) may operate one frequency monitor if arrangements are made to switch the monitor from one transmitter to another by a simple operation and no adjustments are required on each frequency.

"Relay broadcast stations shall provide the necessary means for determining that the frequency of the station is within the allowed tolerance. The frequency measuring equipment used in compliance with this rule may be located at the relay station, at

a central location or the receiving location. If the monitor is located at a distance from the station, provision shall be made to check the frequency in accordance with Section 4.2(d). The equipment used to determine that the frequency at a station is within the allowed tolerance may be either a frequency monitor or a frequency meter (heterodyne frequency meter or equivalent). If commercial types of frequency monitors are used it may be necessary to use a radio frequency amplifier in order to provide sufficient signal to operate the device. Frequency meters, if used, shall be capable of required accuracy and shall be capable of being maintained in calibration by comparison with the signals of WWV or standard broadcast stations."

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NAB TO LET STATES DECIDE POLITICAL RULES

Because of the varied practices of the States governing political campaigns, the Code Compliance Committee of the National Association of Broadcasters has decided to let the member stations in the respective States determine the policies with regard to broadcasts.

A resolution, adopted at a meeting of the Committee in Washington last week, states:

"In view of the fact that different laws or practices govern the conduct of elections in the different States and local communities, it is the recommendation of the Code Compliance Committee that the broadcasting stations in the different States should be called into meeting by State Chairmen or through the efforts of District Directors, where no State organization exists, and request them, after a study of their respective State and local laws, to determine:

"(a) When does an individual become a legally qualified candidate for public office and qualify for the sale of time under the Code, or,

"(b) Determine the date for the opening of a campaign for election of public officials, or for the discussion of public proposals which are subject to ballot."

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Keith Kiggins, Director of the Blue Network of the National Broadcasting Company, has been named Chairman of the Radio Committee for the Department of New York of the American Legion.

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# INDEPENDENT STATIONS HIT PUSH-BUTTON RECEIVERS

An appeal to the Radio Manufacturers' Association and several set manufacturers to discontinue the production of push-button and restricted receiving sets was made last week by Harold A. Lafount, former Federal Radio Commissioner, upon behalf of organized independent radio stations.

As President of the National Independent Broadcasters, Inc., Mr. Lafount said that many independent low-powered stations in the larger cities may be forced out of business by the present trend in set manufacturing.

To supplant the four push-button receivers, which are usually adjusted to network or high-powered stations, Mr. Lafount asked that manufacturers get together in an effort to produce at least ten push-button sets for larger cities, and that the sale of the other units be discontinued. He offered the cooperation of the local stations, possibly through sales aids for the manufacturers.

"It is my sincere belief", Mr. Lafount stated, "that if many of these four and five push-button receiving sets are sold in cities that have 10 or more broadcasting stations, many of the smaller local independent stations will soon be forced out of business. I therefore, respectfully urge that you build receiving sets with at least ten push-buttons and that you discontinue the sale of sets with less push-buttons in the larger cities.

"I am sure that if you will place on the market in these larger cities receiving sets capable of reproducing the programs broadcast by the smaller local stations - in other words, sets that will without discrimination provide equality of reception and tuning convenience, the local stations will cooperate with you in their distribution and sale."

For competitive reasons, the NIB President stated, many set manufacturers are offering small inexpensive sets capable of receiving and reproducing programs broadcast by high-power chain or clear channel stations. Frequently, he said, the first stage of amplification is omitted, along with other refinements "which render these sets incapable of receiving and reproducing" low-powered stations without static or other interference. The sale of hundreds of thousands of these sets, he declared, has been very detrimental to the local broadcaster and in many large cities where noise level is high "is directly responsible for the partial loss of his listening audience". Thus, he asserted, the listener desiring to hear the local station without interference "must purchase a high-priced receiving set".

Citing the push-button set as adding to the locals' problem, Mr. Lafount declared that in a city like New York, the sets usually are adjusted or tuned to chain or high-powered stations. "The other 15 or 20 broadcasting stations must depend upon the listener to use the manual control", he declared.

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# FCC SEES "VEST POCKET" TELEVISION TEST

New "vest pocket" television field equipment, so light and compact that a complete basic unit may be carried in the back of an automobile, will be delivered to the National Broadcasting Company this week, according to Alfred H. Morton, NBC Vice-President in Charge of Television.

The new apparatus, demonstrated under practical operating conditions for the first time Friday before members of the Federal Communications Commission in Washington, D. C., was developed by the RCA Laboratories at Camden, New Jersey. Among those who witnessed the test of NBC's equipment were James L. Fly, FCC Chairman, and Commissioners T. A M. Craven, Thad H. Brown and Norman S. Case of the Television Committee.

With the new equipment, said Mr. Morton in his announcement, NBC's television field crews will be freed of limitations imposed by the necessity of finding parking space at the scene of pick-up for the large motor trucks that carry NBC's present mobile station. Entertainment such as stage shows of Broadway will lie within easy range of the stream-lined unit. Mr. Morton added that the new units will not go into immediate service, but go through a test period to determine service potentialities in the New York City area.

To facilitate transportation, engineers have assembled the various components in small carrying cases.

A complete one-camera assembly, according to Mr. Morton, requires only four of these cases, in addition to camera and connecting cables, the total weight being less than 275 pounds.

Striking innovations include a new radio transmitter for use on wavelengths of one meter and less, the shortest yet employed in practical television work, and a "fading" feature. NBC's engineers also will be able to utilize ordinary 110-volt power supplies. Apparatus for keeping two or more cameras in absolute synchronization, thus eliminating the cause of "slipping frames", is a part of the RCA development. A newly designed antenna of the "wedge" type focuses the broadcast energy into practically a searchlight beam, to be directed at the main NBC transmitter in midtown Manhattan.

The basis one-camera unit may be converted into a two-camera assembly by the addition of camera and four cases, bringing the total weight to less than 550 pounds. A third camera may be added by bringing three more cases into the equipment line, making the weight 862 pounds, exclusive of connecting cables. The radio relay transmitter with its associated power supply equipment weighs 250 pounds. With 500 feet of cable to serve the assembly, the entire three-camera unit will weigh only about 1200 pounds. NBC's present two-camera field unit, mounted permanently in two large motor trucks, has a total weight of ten tons.

The new ultra-short wave relay transmitter, according to the RCA designers, will go far in removing the relayed image from the influence of man-made sources of interference. These sources, notably elevator contactors, diathermy equipment and automobile ignitions systems, have been particularly troublesome at times.

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NEW STATION GRANT PUTS TOTAL AT 55 FOR YEAR

The granting of a construction permit to M. C. Reese, of Phoenix, Ariz., to erect a new radio station for operation on 1200 kc. with 100-250 watts power, unlimited time, brought the total new stations authorized by the Federal Communications Commission this year to 55.

Meanwhile, the Commission is continuing to authorize power increases in accordance with reclassification rules made effective August 1. A dozen regional stations were given power boosts to 5,000 watts last week.

Five stations on 1330 kc. were increased horizontally, along with two on 630 kc., plus individual increases on other channels. Stations granted construction permits for the 5 kw, night power are:

WMAL, Washington (now operating with 500 watts day, 250 watts night); WSPD, Toledo; KLZ, Denver; WIP, Philadelphia; WPRO, Providence; WPRO, Providence; WTAQ, Green Bay; KSCJ, Sioux City, Ia.; KGB, San Diego; WDRC, Hartford; WSAI, Cincinnati. Granted license modifications for 5,000 watts, full-time were KFPY, Spokane, and KGIR, Butte.

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ADDIS ABADA TO BROADCAST TO U.S. IN JANUARY

The Italian short-wave station at Addis Ababa will transmit a special program to North America on January 21, according to Alberto Garabelli, New York representative of the Italian Broadcasting Co., E.I.A.R.

The opening this Fall of a new "Imperial Radio Center", just outside Rome, now transmits "The American Hour" and other short-wave programs to the United States and other parts of the world, the correspondent said.

The new plant, he said, "may be held as the strongest and most perfectioned short-wave broadcasting center in the world". It consists of eight short-wave transmitters located in three buildings. More than a dozen different frequencies are used daily.

By means of a new arrangement the Italian Radio Center is able to broadcast simultaneously on two or three waves to the same locality, thus giving the listener a choice of the best frequency.

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## NAB APPOINTS ATTORNEY AND ENGINEER

With the appointment of Russell P. Place as counsel, and Lynne C. Smeby as full time Director of Engineering, the National Association of Broadcasters has about completed its program of expansion as outlined in the reorganization plan.

Recently the Bureau of Radio Advertising was established to promote the use of radio advertising. It is headed by Sam Henry, Jr., former Sales Promotion Manager of World Broadcasting Company To carry on a year 'round institutional type of promotion, Arthur Stringer, former promotional consultant, was added to the staff after the Atlantic City convention.

Headquarters is also formulating plans for increased activity of the Research Department during the coming year. As being drawn the work will include some fundamental studies designed to fix the advantages of research as a tool in station management. A committee is to be appointed to work with Paul Peter, Director of Research.

The projected year's work include plans for meeting media competition in the development of facts through research. Ways and means for the development of needed information for the Bureau of Radio Advertising, public relations, labor relations and the executive office of the Association are to be established.

In addition to a consulting Research Committee, it is planned to appoint a research representative in each district to assist the Director of Research and the Research Committee.

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## FCC WANTS $50,000 FOR INVESTIGATING UNIT

If Congress appropriates a requested $50,000 next session, the Federal Communications Commission will establish a new Investigation Division which will report on the qualification of new station applicants as well as inquire into operations of existing stations.

Included in budgetary estimates given the Budget Bureau, it is understood the new division would operate initially from Washington headquarters but perhaps eventually decentralize with trained investigators assigned to each of the 26 field offices of the Commission. A dozen or 15 expert investigators is said to be contemplated.

The proposed Investigation Division, which presumably would report to the FCC rather than to any existing departments, would operate on behalf of all FCC functions, including broadcasting, telephone and telegraph, though its primary duties would

be in the broadcast field. The innovation, it is felt, would work hand in hand with the recently instituted intervention policy, differing from past practices in that the Commission itself would seek to develop adverse matter rather than depend upon intervenor testimony to produce it.

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## WMCA IS NEW YORK KEY OF NEW NETWORK

Station WMCA, New York, will be the New York outlet of the new Transcontinental Broadcasting System, which will begin operations January 1, with stations in all major markets, according to advance predictions. The new network was organized in Chicago recently with Elliott Roosevelt taking a leading role though no office.

While the full list of stations affiliated with TBS will not be made public until all arrangements have been completed, official announcement has been made of these major outlets: WMCA New York; WJJD and WIND Chicago; KFWB, Hollywood; KYA, San Francisco; KQV, Pittsburgh; KXOK St. Louis; KCMO, Kansas City; WMEX, Boston, WDGY Minneapolis, and North Central Broadcasting Network, comprising stations in Northern Michigan, Wisconsin, Minnesota, North and South Dakota, and the 23-station Texas State Network. It was also reported that KSCJ, Sioux City, WCBM Baltimore, and KSAL, Salina, Kan., had practically completed negotiations.

George Podeyn, New York manager for the Texas State Network, has been appointed General Manager of TBS. As Mr. Adams is still General Manager of TSN, and Mr. Roosevelt President of that regional chain, it is expected that its operations may be merged with those of TBS.

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## LINGUISTS LISTEN TO WAR PROPAGANDA AT BBC

Every day since the war began, forty expert linguists, several women among them, have sat at receiving-sets installed in secret centres somewhere in England, and listened to news and propaganda from broadcasting stations in all parts of the world, according to the British Broadcasting Corporation. Day and night, working in three shifts a day for seven days a week, these expert listeners "watch" transmissions that might contain information of value to the British Government.

To the BBC, which, in association with the Ministry of Information, has organized and operates this unique information service, the work is known as "monitoring" and the listeners as

monitors. Apart from important speeches by foreign statesmen, the monitors listen to about 150 news bulletins - representing about 250,000 words - every twenty-four hours.

After the material has been taken down and translated by the monitors, it passes to an editorial staff, the members of which, chosen for their knowledge of international affairs and political judgment, write a summary of the broadcasts. Summaries, stencilled immediately they have been prepared, are issued twice each day - in the morning and afternoon - and are often as many as 30,000 words in length. They are immediately dispatched to some twenty-five Government agencies and all the Departments directly engaged in the prosecution of the war. Information of special urgency is telephoned to the Departments known to be interested.

Teleprinters and dispatch riders, as well as the telephone, link the listening posts, deliberately spread over a number of points, with the collection and dispatch centre. High speed and accuracy are essential, and the monitors have the assistance of recording machines as well as a corps of shorthand writers. On an average, ten monitors and five sub-editors, together with shorthand-typists and the engineering staff responsible for the means of reception, are on duty in each shift, the peak number of staff at work being reached at about midnight. Both headphones and loudspeakers are used for listening.

In addition to all the principal European countries and the United States of America, places as far distant from Britain as Japan and Chile are among the countries to which the monitors regularly listen, and the languages in which they work range from the Scandinavian tongues to Arabic and Ukrainian.

Organized on the outbreak of war, the service swiftly proved to be of great value to the Government, and is proving more and more useful as time goes on. Necessarily, the work of organization was a complicated matter. Receiving points had to be established, methods of rapid communication installed, and staff recruited. Not only first-class linguistic ability was asked of the monitors: they had to be physically able to meet the demands of nightwork that involved unrelieved hours of listening - often to atmospheric-marred transmission.

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## RADIO BILLINGS RISE ON NBC AND CBS

Billings of the National Broadcasting Company in November increased 8.6 percent from 1938 and those of the Columbia Broadcasting System rose 40.9 percent. NBC volume was $4,234,984, against $3,898,918 in November, 1938. The latest figure represented a gain of 0.4 percent from the October figure, which was $4,219,253. Columbia's latest total was $3,456,323, against $2,453,410 for November, 1938. The total was up 2.7 percent from the previous month's figure of $3,366,654.

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## TRADE NOTES

Hulbert Taft, Jr., son of Hulbert Taft, Sr., President of the Cincinnati Times Star Co., has been named Manager of Station WKRC, acquired recently by the Times-Star. Sale of the station by the Columbia Broadcasting System was approved last week by the Federal Communications Commission.

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Harry L. Sommerer, formerly assistant to Fobert Shannon, Executive Vice President of the RCA Manufacturing Company, has been appointed Manager of Manufacturing of the company's plant. Mr. Sommerer will have supervision of the company's plants at Camden and Harrison, N. J., Hollywood and Indianapolis, with headquarters in Camden.

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The General Electric Company will put strong advertising support in the coming months behind a special offer of a seven-tube console receiver and a standard G-E record player for $65.95 with another radio in exchange. The offer is a feature of an advertising and promotional campaign scheduled for the Winter. The set has two reception bands, is equipped for television sound and has six touch-tuning keys, and the player has an approximate retail value of $10. A new series of advertisements has been prepared for use in newspapers by small, intermediate and key dealers.

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U.S. Attorney /William J. Campbell of Chicago is conducting an investigation to determine if horse race results are being broadcast illegally by radio stations. He is especially interested to know whether or not radio companies are trying to replace the bookmaker's wire service of M. L. Annenberg's Nationwide News Service, which Mr. Annenberg recently dissolved. He is also seeking an opinion from the Federal Communications Commission as to whether or not the Commission's regulations ban use of radio for transmitting race results.

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Six hundred Westchester County (N.Y.) clubwomen attending a forum at the New Rochelle Woman's Club voted unanimously last week to urge radio chains to broadcast fewer love dramas, described as an "insult to intelligent women", and provide more programs dealing with homemaking and child training. The vote came after Mrs. Ida Bailey Allen, home economist, had informed the women that out of 378 broadcasting hours each week by the three major networks, only 45 minutes were devoted to problems of the home. Mrs. Allen said she had conferred with radio officials and program sponsors and had been informed that "American women are not interested in hearing about homemaking."

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## ZENITH SETS ALL-TIME PRODUCTION RECORD

Zenith Radio Corporation reports a consolidated operating profit for the first six months ended October 31, 1939, of its current fiscal year, amounting to $377,696 after depreciation, excise taxes and liberal reserves, but before provision for Federal income taxes, as per the company's books, according to Hugh Robertson, Executive Vice-President and Treasurer.

"The Company's regular 1940 line of home receivers was announced and shipment started the middle of September", he said. "The unprecedented spurt in radio demand had not been fully anticipated but delivery difficulties with material suppliers were overcome and an all-time high record for production and shipment of receivers during a single month was attained in October. This record rate of production and shipment was maintained during the month of November and will continue until the present backlog of orders for December and January delivery are filled.

"Statistics on delivery of Zenith receivers by distributors to dealers indicate that the 1940 models are moving to the public at an unparalleled rate for this period and the management confidently expects that shipments for the fiscal year will be the largest in the company's history both in units and dollar volume.

"There has been a steadily increasing demand for auto radios from automobile manufacturers with whom the company has contracts. Daily shipments of these receivers have been maintained at an all-time high and releases being received from time to time for future delivery indicate the present rate of production and shipment will be maintained well into the Spring months."

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## FREQUENCY MODULATION TRANSMITTERS OFFERED BY G.E.

After more than three years of intensive research, General Electric has made available frequency modulation transmitters in five ratings. This new departure in radio is characterized by exceptional high fidelity, freedom from distortion, nearly complete freedom from interference - either man-made or natural - better coverage of the primary service area, and reduced operating costs.

Based on the system developed by Major E. H. Armstrong, the new General Electric transmitters add several exclusive features including simplified circuit design, fewer tubes, greatly reduced power consumption, and accessibility to all parts without disassembly. With this equipment distortions are reduced to less than 1½ percent from 30 to 7500 cycles and less than three per cent to 15,000 cycles. The transmitters are available in ratings of 250 watts and 1, 3, 10 and 50 kw.

Standard broadcast receivers are unable to receive programs transmitted on the new system, and General Electric recently announced regular production of a full line of sets to receive the frequency-modulation programs.

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CUBA RADIO PURCHASES NOT AFFECTED BY WAR

Cuba's purchases of American radio equipment, which dropped about 50 percent in 1938, are not likely to be increased by reason of the European war as United States firms already dominate the market, according to the Department of Commerce. The only hope for restoration of the trade, an analysis shows, is that Cuban purchasing power will be raised by recovery of the island's sugar industry.

Bernard I. Feig, of the Electrical Division, Bureau of Foreign and Domestic Commerce, in a review of American electrical trade with Cubas, has this to say of the radio market:

"After experiencing several years of excellent demand, radio equipment, which constitutes the chief item in the Cuban-American electrical trade, suffered a severe setback in 1938. The serious reduction of approximately 50 percent in Cuban imports of radio apparatus was accounted for by the decline in purchasing power and also by the heavy carry-over of radio stocks from 1937 when excessive optimism led to overstocking. Another factor, although currently of minor importance, has been the increasing activity of the Dutch Philips concern which has been gradually improving its position in the Cuban market at the expense of American producers. The importance of this factor would be greatly magnified if the preferential treatment accorded American products were ever lessened or suspended. At present, however, the radio market is strongly dominated by American producers. . . . . .

"Cuban industry has looked to the European war situation for alleviation of many of its difficulties, but no material relief has thus far been forthcoming in the form of anticipated war orders.

"Unlike many other Latin American countries, Cuba does not hold forth promise of increased trade with American electrical manufacturers because of the current war. Since American electrical producers already control more than 90 percent of the Cuban market, the amount of trade that Cuba might find necessary to divert from belligerent or other handicapped European nations would necessarily be relatively small and unimportant.

"Upon final analysis, American electrical exporters can only hope for the recovery of the Cuban sugar industry, the cure-all that would probably eliminate many of the prevailing obstacles in the path of renewed demand for American electrical equipment.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF DECEMBER 8, 1939



No. 1191

FCC REORGANIZATION NOT TO BE PRESSED NEXT SESSION

The Administration has scuttled the McNinch proposal to abolish the Federal Communications Commission and substitute a three-man agency with the Chairman clothed with dictatorial powers, it was reported this week on Capitol Hill.

Congressional leaders, it is said, will make no attempt to revive the legislation introduced last session upon suggestion of President Roosevelt.

Internal dissension which marked the regime of the former Chairman, Frank R. McNinch, has disappeared since James L. Fly took office, it was pointed out, and so the need for the reorganization has been eliminated. The FCC, in fact, has been calmer and more united in its policies than at any time in recent years.

The fact that 1940 is an election year doubtless enters into the decision.

President Roosevelt early this year wrote letters to the Chairmen of Senate and House Committees handling radio legislation and suggested a complete reorganization of the FCC and a rewriting of the Communications Act.

Subsequently, Chairman Wheeler, of the Senate Interstate Commerce Committee, introduced a bill providing for a three-man Board in place of the seven-man FCC. It had been drafted under direction of McNinch and with the purpose of ridding the Commission of dissenting members.

The dissenters were Commissioners T.A.M. Craven and George Henry Payne, who had refused to support the FCC "purge" a year ago. Thomas G. Corcoran, New Deal brain truster, was understood to be behind the move to punish the Commissioners.

Such a storm of protest was raised both within the radio industry and political circles that Administration leaders soon pigeon-holed the legislation and never went so far as to schedule hearings.

Senator White (R.), of Maine, countered the Wheeler-McNinch bill with a measure to enlarge the Commission to 11 members.

Cries of "dictatorship" and "government censorship" were raised so loudly that the House Appropriations Committee held up the FCC appropriation until a few days before the end of the fiscal year. Increases asked by the Chairman to expand the staff were denied.

Demands for a Congressional investigation of the FCC have not died down, however, despite the present calm within the Commission. Representative Wigglesworth (R.), of Massachusetts, one of the chief Capitol Hill critics of the FCC, said he will again press for enactment of one of the several resolutions calling for a House probe.

Democratic leaders, however, said there is little likelihood of such an inquiry being ordered unless new dissension breaks out within the Commission.

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FTC CURBS CLAIMS OF TELEVISION SCHOOL

Midland Television, Inc., Kansas City, Mo., conducting residence and correspondence courses in radio, television and airline radio operation, entered into a stipulation with the Federal Trade Commission to discontinue misleading representations.

In its advertising matter, according to the stipulation, the respondent corporation published composite illustrations of the Kansas City Power and Light Building, in which the school occupies several of the upper floors, and the KMBC broadcasting tower, so arranged in some instances as to create the illusion that the buildings are contiguous to each other, when in fact they are some five miles apart; and letterheads featured a similar picture with the conspicuously printed corporate name "Midland Television, Inc."

This illustrated matter was misleading insofar as it tended to convey the impression to prospective pupils that the entire building was occupied by the respondent corporation and that the tower belonged to the school, according to the stipulation.

The respondent corporation agreed to cease making such representations and to discontinue disseminating advertising matter which tends to convey the impression that students are virtually assured of employment upon completing their radio work at the school. The respondent also stipulated that it would desist from the representation that any person connected with the school's "technical staff" is a "member of the Institute of Radio Engineers", when such is not a fact, and from representing that the sole purpose of "Midland Training" is to help students make more money.

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# U.S. S-W RADIO FREE, BUT HAMPERED BY DIFFICULTIES

Some of the difficulties of international broadcasting by U.S. stations to Latin American countries were discussed by Guy C. Hickok, Director of Short-Wave Broadcasting for the National Broadcasting Company, this week at a conference on inter-American affairs at George Washington University, Washington.

Mr. Hickok prefaced his remarks with the observation that American radio is free to broadcast the truth as it sees it and is not hampered by censorship as are European stations in countries at war.

"The struggle in Europe has reached a pitch of bitterness in which not one of the nations locked in conflict can afford to broadcast honestly, if it would. In this bitter battle of the air waves, American short-wave broadcasters are not involved. Aloof from the melee, they can still tell the nations to the south the truth, or all of the truth they can discover. . .

"But to really reach the ears of the greatest numbers of our neighbors to the south, short-wave broadcasters must do more than merely increase the distances at which American programs can be heard. They must 'process' American programs before Latin-Americans or Ibero Americans will accept them.

"We like to tell ourselves that English is becoming a universal language; but we know that it is not a universal language now.

"Ask a typewriter manufacturer. He will tell you soon enough that to sell American typewriters in Brazil he must provide them with Portuguese keyboards; and to sell them in the rest of the Americas he must give them Spanish keyboards.

"He would not get far if he insisted on shipping to the other Americas only machines with standard American keys.

"In radio, as in typewriters, North America is competing in Latin America against other nations which will, and which do, modify the product they use at home to adapt it to the export market.

"No American exporter would print his promotion or advertising matter for Latin America in English. Everyone interested in increasing commercial relations with Latin America knows that he must use the languages of his markets; and he must use these languages as well or better than any foreign competitor uses them; as well as the educated class of the population uses them.

"Therefore North American radio, to be really effective in the other Americas, must

1: Broadcast in their own languages, perfectly spoken.
2: Broadcast programs adapted to their tastes, their susceptibilities, their customs.
3: Time its programs to the convenience of its audiences.

4: Key its programs in a tone which will wear away, little by little, antipathies and suspicions which have grown up - not totally without cause - against us.

"North Americans must do this if they wish to be heard. For the listener by a gesture so slight that a fly would not be disturbed, tunes out to another station.

"None of us here need be told that the languages of the republics to the south of us are Spanish and Portuguese. But perhaps some of us do need to be told that the Portuguese of Brazil is not that of Lisbon any more than the English of Kansas is the English of Oxford.

"And as for Spanish, the language of none of the nineteen Spanish-speaking republics is the language of Castille. They all speak Spanish it is true, but that does not mean that any kind of Spanish broadcast by short-wave from North America is acceptable to all of them; on the contrary.

"The Spanish of at least four of the Spanish republics has grown and evolved until many of the other republics do not care for it; and these four regional or national types of Spanish are not for the North American broadcaster to use if he hopes to make friends all the way from the Rio Grande to Terra del Fuego. He must find speakers who use what, for want of a better name, is called 'neutral Spanish', which, though it may not be loved, is at least accepted by all Spanish-speaking peoples.

"The language problem solved the North American broadcasters must solve the no less important problem of program preferences, one that presents itself every minute of every hour the station is on the air. And the only practical way to solve it is to have the broadcasting done by men and women who have grown up under, or who have lived for many years under, the influence of the cultures to which they are trying to appeal. . . . . .

"News happens to be one radio offering in which North America excels over all other countries. We have the most complete, the most rapid, the most truthful and impartial news gathering organizations in the world. We are now the only great country which can put such a service on the air without first having to strain it through a war-time censorship. A news service, swiftly delivered, objectively written and edited, accurately translated and well spoken in the languages of the listeners, and done without propaganda coloring, is perhaps the most valuable offering North American short wave stations can make to Latin America or to any other part of the world."

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## DID GEORGE HENRY SEE THEM FIRST?

A humorous mixup, one good for a real laugh in the radio industry, at the National Press Club dinner to President Roosevelt last night (Thursday) was the accidental seating of Commissioner George Henry Payne, of the FCC, next to Martin Codel, publisher of Broadcasting Magazine, and just across the table from Sol Taishoff, editor of that magazine. Had these men actually had to sit together, it might have been very embarrassing because a year or so ago Commissioner Payne sued Codel and Taishoff and Broadcasting for $100,000 libel, and while the suit was settled out of court, it is not to be imagined that these gentlemen would be the most congenial companions.

Embarrassment, however, was saved either by Mr. Payne not being able to attend the dinner or, according to one guess made, arriving first and seeing who his seat-meates were, found himself a place at another table. Anyway, Mr. Payne's place was vacant. Some think there might have had to be a riot call for some of the Secret Service men, police, plain clothesmen and firemen in attendance on President Roosevelt which, by the way, was the heaviest guard ever to be accorded to a President in the history of the Press Club.

Another amusing incident to the radio industry was when Lew Lehr, of "monkeys is the kwasiest peoples" fame told about a German refugee landing in this country speaking a side-splitting gibberish nobody could understand. Nevertheless to encourage the fellow, Lehr said to him, "Where in the world did you learn such good English?" "From the American short-wave broadcasts" was the reply.

Gene Buck, President of ASCAP, was in charge of the entertainment and among the out-of-town guests was Alfred J. McCosker, President of the Mutual Broadcasting System.

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## FCC DELEGATES TO CHILE CONFERENCE NAMED

The Federal Communications Commission has designated Chief Engineer E. K. Jett and Gerald C. Gross, Chief of the International Section, to represent the Commission at the Inter-American Radio Conference to be held in Santiago, Chile, beginning January 17, 1940.

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LOWER PROGRAM COSTS SEEN IN RCA TELEVISION PICK-UP

Members of the Federal Communications Commission are showing interest in the possibilities of cheaper television programs and its effect on television transmission development in the United States after witnessing the RCA-NBC demonstration in Washington last week.

Developed by RCA engineers, the field pick-up equipment is intended for use in picking up pictures of events taking place outside television studios for transmission back to the station for visual broadcasting.

As summarized by RCA, the equipment has the following advantages:

"Enables television stations to tap interesting and timely program events.

"Helps reduce high cost of television programming.

"Provides pictures comparable in definition with those produced by standard station apparatus.

"The cost of the new RCA apparatus is about one-sixth of the cost of the present mobile television equipment carried in two large vans. The new units can be transported in a station wagon or light delivery truck.

"The power consumed by the new equipment is about one-fifth of that used by the previous apparatus. This enables power connections to be obtained more readily in the field.

"The weight of the new equipment is about one-tenth of that of the former mobile apparatus.

"The power of the new transmitter is considerably less than the unit which has been used in New York for field pickups of television, but it operates on a wave length of about one meter and may be used with small but highly efficient antennas which multiply the effective power several times.

"On these wavelengths, electrical disturbances are not a serious factor nor is static produced by lightning.

"The reduced cost of the new apparatus should put it well within reach of television stations in locations other than New York and should encourage the development of program service in other cities. It costs less than a medium power broadcast transmitter.

"The apparatus may be used with one to three cameras to present varying points of view or to alternate scenes.

"Television audiences in New York and Los Angeles will soon have an opportunity to see pictures produced over sets of this new equipment."

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## COUGHLIN UNCURBED BY NAB RADIO CODE

As noted a fortnight ago in the Heinl News Letter, the Rev. Charles E. Coughlin, Detroit radio priest, has not been restricted in his broadcasting activities despite the NAB code and the great to-do made over the "capitulation" of John Shepard and the Yankee Network.

The Detroit correspondent of Variety reports that Father Coughlin still has 47 of his 49 stations and is not threatened with the immediate loss of any others. Stations which failed to renew contracts are WGBI, of Scranton, Pa., and WTMJ, of Milwaukee.

Meanwhile, the NAB has lost seven members because of the Code and apparently is willing to let the Coughlin matter rest for the time being with no punishments to be inflicted on stations who took advantage of legal loopholes to evade the Code.

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## FCC SURVEY OF AMATEUR RADIO SERVICE PROPOSED

Additional information which will permit the Federal Communications Commission to meet any amateur problems which may arise in connection with neutrality and national defense and other emergencies, as well as with normal regulation, is the basis of a survey proposed by the Commission.

In striking contrast to the 2,137 amateurs in the United States at the outbreak of the World War of 1914, there are now 53,500 licensed amateur operators and the same number of amateur stations. This includes about 300 amateurs in Hawaii, 200 in Alaska, 50 in Puerto Rico, and a scattered few in American Samoa, Wake Island, and Guam.

The Commission receives more than 100 amateur applications a day. About one-third of these are for new licenses for operators and stations. The license term of amateurs is three years. As in the case of other licensees, amateurs must be citizens. About 7,500 amateurs are members of the Naval Communication Reserve and Army Amateur Radio System and use their stations at regular periods for training purposes.

It is estimated that probably not more than 15,000 amateurs are active in the United States during any month of the year.

The majority of licensed amateur stations use radiotelegraphy exclusively and are entitled to use all of the amateur frequencies. The "phone" amateurs are allocated the shared use of certain amateur frequencies within the general bands assigned to the amateur service. The only radio-telegraphic code per-

mitted amateurs is the International Morse Code. All amateurs have passed a test of their ability to transmit and receive messages in this standard code at the rate of at least 10 words a minute. Present examinations have raised this requirement to 13 words a minute.

Under the provisions of the Cairo radio regulations and the Inter-American radiocommunication agreement, the only countries which have authorized amateurs to engage in third-party international communication are, in addition to the United States, Chile, Peru and Canada. Because of the war, Canada and several other countries have closed amateur stations for the duration of the war. All countries which permit amateur radio restrict such service to communication between the operators themselves.

At the present time, amateurs in this country are permitted to operate portable-mobile stations without separate license. Portable stations can be moved about from place to place but must not be operated while in motion. Portable-mobile stations are those which may conveniently be transferred to or from a mobile unit or from one unit to another, and ordinarily operate while the mobile unit is in motion.

Monitoring stations of the Commission - which are located in Boston, Baltimore, Atlanta, Grand Island (Nebr.), Great Lakes (Ill.), Portland (Ore.), and San Pedro (Calif.), - observe the amateur bands daily. In addition, field inspectors listen to amateur operation. The amateurs, for their part, have established their own neutrality patrol during the period of the present emergency.

This Government has long recognized the necessity of providing for the development of amateur radio, and has encouraged the use of such stations in many important fields of communication. Their wide distribution not only creates a most important resource in connection with regional disasters, but also contributes a great body of experiments, making contributions to the radio art and serving as a valuable reserve for the national defense.

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World radio market reports recently issued by the Department of Commerce include: Cuba, Turkey, Nigeria, Mexico, Algeria, French Oceania, Burma, New Zealand (supplement), and Panama.

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## TRADE NOTES

Negotiations are in progress with several major universities of the nation with a view to the adoption of CBS educational broadcasts as accredited work to supplement classroom study, according to Sterling Fisher, Columbia's Director of Education. Mr. Fisher told of the negotiations at a meeting in New York City of the educational directors of Columbia's Eastern stations - a session also attended by representatives from Southern and Mid-Western stations.

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The Mutual network's cumulative billings for the 11 months of 1939 totaled $3,012,083, representing an increase of 16.6 percent over a similar period in 1938 when the figures totaled $2,582,955. Billings for November, 1939, added up to $327,045. November, 1938, came to $360,929, indicating a decrease of 10.4 percent.

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Herbert Elliston of the Christian Science Monitor has been added to the Columbia European staff as correspondent on the Russo-Finnish Front. In Helsinki when the war broke out November 30, Elliston was immediately assigned to bring American listeners eye-witness details of the war. His broadcast on December 2 was the first account of the war from the Finnish capital by a radio staff correspondent.

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Several members of Capital society were startled to receive in the mail this week a large, typewritten piece of paper which looked like a summons to court. However, on closer examination, the missive turned out to be an amusing invitation from Louis G. Caldwell, radio attorney, who had couched it in legal language to a party on Sunday, December 17, in honor of Philip J. Hennessey, Jr., newly elected President of the Federal Communications Bar Association, and Mrs. Hennessey.

"In the Matter of Philip J. Hennessey, jr., et uxor," reads the invitation, "you are ordered to show up at 200 Cleveland Avenue from 5 P.M. until the second hour after sunset. Purpose: To explore Mr. Hennessey's legal, technical and other qualifications for his special temporary experimental modification of status. Social and economic factors: cocktails and/or tea."

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Hailed as a masterpiece of radio anthology by educators and experts in radio - they have had an opportunity to study its text prior to publication - Max Wylie's "Best Broadcasts of 1938-39" is to be placed on sale, Monday, Dec. 18. (Whittlesey House, $3.50). The volume covers outstanding radio broadcasts which were heard in America between Jan. 1, 1938, and July 1, 1939.

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TELETYPE SERVICE INVOLVED IN WIRE MERGER PLAN

The coming report of the Federal Communications Commission recommendation of the unification of the Western Union and the Postal Telegraph companies will propose in addition that the new concern be permitted to take over the leased wire and teletype services of the American Telephone and Telegraph Company so as to bolster the revenues of the consolidated organization, according to the New York Times' financial page.

"The Commission's report to Congress, expected within the next week or ten days, will for the first time inject the national defense factor into the long-standing argument for merging the two major telegraph companies", the Times said. "Such is the degree of obsolescence in equipment of both companies as to constitute a threat to national security in time of war, according to a resume of the report.

"It is the Commission's conclusion, after an extended investigation, that the financial disorganization of the two companies due to lack of business, is sufficient to warrant its recommendation that Congress authorize their consolidation. To this has now been added the important factor of national defense.

"Viewed from the standpoint of wartime requirements, the Commission finds, the combined facilities of both companies is considerably below par, notwithstanding the relatively superior equipment of the Western Union which undertook an extensive replacement program in 1929.

"It is the Commission's thought that both revenue and equipment deficiencies of the two companies can easily be remedied through a consolidation of the two properties and the turning over to the unified company under lease the so-called leased wire and TWX or teletype facilities of the A. T. & T. Considered 'the cream of the telegraph business' these two services would produce more than enough revenues to place the new company on a sound financial footing, in the Commission's opinion.

"It is the understanding of some Commission officials, moreover, that the A. T. & T. would have no serious objection to the surrender of its leased wire and TWX facilities to the new telegraph company provided lease terms satisfactory to the former organization can be arrived at. Officials anticipate no insurmountable obstacles to such an arrangement.

"The A. T. & T. offered to lease its teletype service to the Western Union after perfecting it, but the offer was rejected on the ground that the lease terms were too high, it is understood. For the A. T. & T. it is said, however, that the proposed terms were computed to cover the expense of developing the teletype device and some reduction of the original figure now would be expected."

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## GOVERNMENT WIRE RATES RAISED BY FCC

The Federal Communications Commission this week ordered, effective January 1 next, Government rates on official domestic telegraph messages increased from the present 40 percent of the charges applicable to commercial communications to 60 percent of such charges.

The new rates, subject to the same minimum charges as are now effective, will continue in effect until June 30,1940. In all other respects the charges, terms, and conditions as provided in Commission Order No. 41 and extended by Commission Order No. 58 remain unchanged.

This final action on the Commission's proposal of November 3 last, is based on petitions by the Western Union Telegraph Company, Postal Telegraph-Cable Company, Mackay Radio and Telegraph Co., Inc., of Delaware, and Mackay Radio and Telegraph Co., of California, for increased Government rates. The time for filing exceptions expired November 27. No exceptions were filed by any of the parties to the proceeding.

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## RADIO CHIEF AMUSEMENT OF CHILDREN, SAYS PROF.

Instead of playing "cops and robbers" and other kid games in their spare time, youngsters of today are planting themselves beside a radio, according to Dr. John P. McKay, Principal of a suburban St. Louis School. He said a survey showed 11-year-old children spend about one-half as much time listening to the radio each week as they spend in school, the Associated Press reported. And 83 percent of the programs they hear haven't been prepared for them.

They like dramas with plenty of action, variety shows, including comedy, music and drama and audience-participation programs - all types which also are favorites with adults.

Dr. McKay based his conclusions from the answers given by 1,909 sixth-grade pupils in record books which they kept themselves. Ninety-one radio programs were listed and children were asked to jot down the broadcasts heard over a two-week period. The boys liked crime stories best while the girls preferred a drama featuring a Hollywood star. The children tuned in programs planned for them only 17 percent of the time. The first of the so-called children's serials was ranked ninth.

An average of 14 hours a week was spent by the children at the radio, with almost twice as much time being given to listening from Monday through Thursday as over the week-end. One-fifth of the youngsters had their own radio sets.

Dr. McKay said he believed that radio is a leading, if not the major, leisure-time activity of children.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



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No. 1192

December 12, 1939

MILD HOUSE INQUIRY SEEN DURING BUDGET HEARING

The Federal Communications Commission on Wednesday of this week will go before a Sub-Committee of the House Appropriations Committee for its annual grilling as to its past year's record.

Ostensibly, the inquiry is for the purpose of determining how much money the FCC needs to operate for the next fiscal year, but it has been the custom for several years to put the Commissioners, especially the Chairman, on the grill with regard to matters only indirectly connected with expenditures.

This year the inquiry is expected to be comparatively mild, however, because of the change within the Commission since the resignation of former Chairman Frank R. McNinch. The present harmony within the Commission appears to have silenced FCC critics even on Capitol Hill.

Republican members of the Sub-Committee, particularly Representatives Wigglesworth, of Massachusetts, and Dirksen, of Illinois, are prepared to cross-examine Chairman James L. Fly and perhaps other members of the Commission, but it is doubtful that their attitude will be as severe as it was last year when McNinch was in the midst of an FCC "purge".

The FCC is asking for additional funds this year to finance expanded activities, and Commissioners are afraid that the general national economy move may block the appropriations.

The FCC encountered the first disappointment along this line this week when the Budget Bureau cut out of the Commission's estimates q request for $329,000 to set up a staff for stricter regulation of the telephone industry. Officials of the FCC are afraid that the Budget Bureau's action, unless reversed by Congress, may result in another year's delay in effecting some of the reforms recommended in the telephone report.

Officials are pondering the latest act of the Budget Bureau in rejecting the current request, in the fact of the fact that the President toward the end of the last session of Congress approved a request of the Communications body for a similar amount. However, Congress did not provide it, although that body is said to be fully cognizant with the lack of regulation, not only as a result of its own investigation, which resulted in including regulatory provisions in the Communications Act, but was again fully informed in the Commission's report on its investigation, which it conducted for Congress at a cost of more than a million dollars.

The Commission informed Congress that it has become apparent as a result of the telephone investigation that the issues involved in the regulation of interstate telephone rates are broad and intricate, and that highly organized effort will be essential to any adequate or effective permanent regulatory procedure. It was asserted that efficient machinery for the gathering, digesting and presentation of all necessary facts must be devised and brought into continuous operation, and a carefully developed administration must be set up in order to perform these specialized functions.

Without the necessary funds to carry out the mandates of its organic act, the Commission's functions so far as telephone regulation is concerned, is largely that of providing a place where its tariffs may be filed. Although the small force which it uses for this purpose is able to detect inconsistencies in tariffs from time to time, and has made efforts to regulate same, the force is not large enough for the necessary research whereby the tariffs and their background may be thoroughly examined, to determine the fairness of the various charges.

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BBC HIRES FIRST WOMAN RADIO ANNOUNCER

Elizabeth Cowell, former television announcer, has returned to the British Broadcasting Corporation, by arrangement with the Air Ministry, as the first regular woman announcer in the British Home Service programs.

"Elizabeth Cowell fully deserves the honor of breaking into this hitherto forbidden ground", says the Radio Times. "Her television announcing, of course, established her claim, and television announcing is in many ways a harder job. There was in the early days the constant apprehension that something would go wrong, and all through a program the announcer would have to be ready to leap into the breach if it did."

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RADIO WAR NEWS COVERAGE PRAISED BY SARNOFF

David Sarnoff, President of the Radio Corporation of America, who attended the Gridiron Club dinner in Washington last Saturday night, said the radio has done a good job in covering the war.

"I think the radio has done a standout job in presenting facts about the European crisis and the war to American listeners", he said. "I think it has lived up to its best traditions of freedom of speech and equal opportunity for all to be heard. I think the radio has had an important part in making the American people the best informed people in the world. Americans know more about what's going on in Europe today than the Europeans."

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RCA SAYS WAVES NEEDED AS U.S. DEFENSE MEASURE

Retention of radio point-to-point telegraph frequencies by licensees who have held them for a period of years without making commercial use of them is most important in the national defense, Maj. Gen. James G. Harbord, former head of the service of supply in the American Expeditionary Force and Chairman of the Board of the Radio Corporation of America, told the Federal Communications Commission last week.

General Harbord testified RCA radio stations had been located with national defense in mind, and that it was for that purpose that he was originally selected to supervise the RCA program.

At the same time, the Commission was informed by William A. Winterbottom, Vice-President in charge of R.C.A. Communications, Inc., that British domination has prevented his corporation from gaining a contact point in Australia for use of the frequencies allocated to the organization in 1931. The hearing was before Commissioner Frederick I. Thompson on the matter of renewal of licenses for the three frequencies for use in point-to-point telegraph between the United States and Australia.

At present, it was said, there is no direct communication between the United States and Melbourne and Sydney. Messages to and from this country to Australia have to go by way of Montreal or British Columbia. As a consequence they are subject to all the delays involved in relays and to scrutiny during periods of conflict.

Soon after the licenses were granted to R.C.A. Communications, the American corporation entered into a contract with the Consolidated Wireless of Australia, Ltd., for contact stations at Sydney and Melbourne. The service was not established, however, because about a month after the contract was signed, a new Committee was formed, which set up a communications policy for the Empire.

The general purpose of this was to direct traffic over British systems. But it appears that within a short time steps will be taken which will permit the Australian company to establish contact with the American stations.

It was pointed out that if the frequencies were withdrawn from the company now, the impression would be gained that the United States was turning its back on its nationals in the matter of communications.

Col. Manton Davis, Vice-President in Charge of the Legal Division of R.C.A., told the Commission he had been authorized by the Secretary of State to inform it the State Department was deeply interested in this service. He suggested that it might serve a useful purpose if the Commission before acting on the matter would contact the State Department.

## RADIO CELEBS DINE IN STATE

Two of the major national political dinners of the year, held within a few days of each other - the Gridiron and the National Press Club - brought many notables to Washington last week. President Roosevelt attended both dinners.

Among those identified with the radio industry at the Gridiron Dinner were:

E. F. McDonald, Jr., President, Zenith Radio Corporation; David Sarnoff, President, Radio Corporation of America; Commissioners, Thad H. Brown and T.A.M. Craven, Federal Communications Commission; Edward Klauber, Vice-President, Columbia Broadcasting System; Gene Buck, President, American Society of Composers; Harry C. Butcher, Vice-President, Columbia Broadcasting System, Washington; Senator Burton K. Wheeler, of Montana; and Edgar Morris, Zenith distributor, Washington.

Radio was represented at the Press Club Dinner by Alfred J. McCosker, President, Mutual Broadcasting System; Louis Ruppel, of New York, in charge of press relations for the Columbia Broadcasting System; Frank M Russell, Vice-President, National Broadcasting Company, Washington; Oswald F. Schuette, short-wave coordinator for the Radio Corporation of America; Paul M. Segal, radio counselor; Kurt Sell, German Broadcasting Company; Sol Taishoff, editor, Broadcasting magazine; Kenneth Berkeley, Washington Manager of NBC; Gene Buck, President, American Society of Composers; Martin Codel, publisher, Broadcasting magazine; Earl Godwin, radio commentator; F. P. Guthrie, Washington Manager, R.C.A. Communications, Inc.; and Ben S. Fisher, radio counselor.

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## DUTCH COLONY BANS USE OF RADIO NEWS

A recently published "Radio Publication Ordinance" prohibits the publication in the Netherlands Indies of radio news without the permission of the Director of the Department of Traffic and Communications, according to the American Trade Commissioner at Batavia, Java. The object of the ordinance is to prevent the spread of news, received via radio, which might be injurious to the national interest and the order and peace of the Netherlands Indies. Under these regulations, only news agencies - in the present case only the Aneta qualifies to the prescribed terms - which can adequately guarantee an expert and critical treatment of the news, are given permission to distribute radio news to others for publication by the latter. Publicists, publishers of periodical and others who are equipped to regularly receive and expertly process radio news may also be granted permits to publish such news in their own publications. Permission to relay foreign radio news is given only to holders of broadcasting permits.

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# ZENITH DESIGNED RAILWAY RADIO SYSTEM IN 1926

News reports of the installation of a two-way radio communication system between the engineer's cab and the caboose recalls to Commdr. Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, that Zenith designed a similar outfit as early as 1926.

The development was described by Henry C. Forbes, formerly of the Zenith Corporation, in the October, 1927, issue of "Proceedings of the Institute of Radio Engineers".

Explaining the workings of the system, Mr. Forbes wrote:

"Duplicate two-way telephonic transmitter-receivers were mounted (for the purposes of demonstration) in an iron box 30 in. long, 6 in. deep, and 10 in. high, the receiving apparatus occupying a left-hand compartment and the oscillator circuits a right-hand compartment, with the modulator, speech amplifier and switching relay circuits in the center. A simple regenerative receiving circuit was employed having a detector and three stages of audio-frequency amplification. A power tube was used in the third stage. A single tuning control, with fixed regeneration is thereby possible, and has been found adequate.

"The transmitter employed two tubes of 50-watt rated plate dissipation, one as oscillator and the other as modulator, with a 7½-watt tube as a speech amplifier. Power for the plate circuits of the transmitting tubes was obtained from an Electric Specialty Company dynamotor of 200-watt capacity mounted in a totally enclosed frame, and provided with ball bearings. This dynamotor starts and stops very quickly. The dynamotor is driven by a twelve-volt Exide storage battery of the heavy-duty vehicle type, although the system is readily adaptable to any battery voltage. Power for lighting all filaments is obtained directly from this same battery."

"In practice, the receiving sets are left in operation at all times when the train is under way, a switch being provided for the purpose. When communication is desired, the button on the handle of the microphone is pressed, thereby actuating the relays which make the necessary switching connections for operating the transmitter. The button is released to restore the receiver to operation. The switching, including the starting of the dynamotor, takes only about one second, and very rapid two-way conversation is possible.

"The functioning of the apparatus is indicated to the operator by the flashing of colored pilot lights. One light indicates that the receiver is in operation. A second flashes when the 'talk' button is pressed, and indicates that the transmitter is ready for operation. A third pilot light is operated directly from the antenna current, and the flashing of this light indicates to the operator that the transmitter is function-

ing properly. This third light also flickers with the modulation, giving a direct indication that modulation is taking place. The meters shown in the photographs are not to be used on permanent apparatus.

"A signaling system has also been provided which may be used to attract the attention of the crew at either end of the train. This signal is operated by pressing a second 'signal' button which is mounted either on the microphone handle or on the set proper, and, when operated, produces a shrill note of about 800 cycles in the loudspeaker at the opposite end of the train. This frequency was selected for this purpose after some experiment, and is readily discernible in the locomotive through the noises encountered in running. This signal may also be used to pass code signals in case of failure of the telephonic system.

"Special microphones were used in order to avoid the introduction of the terrific road noises into the communicating system. An aircraft type of anti-noise microphone, originally developed for war service, was found to be very satisfactory."

"With the application of radio communication to railroad freight service comes also the application of a similar service to passenger train operation, not only for the purpose of train handling, but also for the purpose of intercommunication between trains, and between a train and a way-station. A further application which has been given some consideration is that to large freight yards where one towerman controls all of the locomotives working in a yard perhaps five miles in length. Much time is now lost because of the lack of prompt communication between the tower and the individual locomotives."

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## BBC LIKES NEW SIGNAL BETTER THAN MUSIC

"Our more ingenious readers might like to consider an alternative to the BBC interval signal", the British Broadcasting Corporation comments. "A well-known wireless journalist in India has been drawing attention to it. He does not like the 'tick-tock', and says that it reminds him of a firing party taking a prisoner out to be shot. The present metronome signal is really a reversion to an old practice; and was re-introduced because the sound of Bow Bells was inclined to be too loud for listening in certain quarters where it is a serious offence to listen to a foreign station. One difficulty in devising a really good interval signal is that music is not distinct enough and mere noise might be mistaken for distortion."

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## TRADE NOTES

The Federal Communications Commission this week issued a new list of all radio stations in the emergency service in the United States. This includes municipal and State police, inter-zone police, marine, fire, zone police, special emergency, and forestry stations.

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"The Magic of Radio Transmission" is the title of a booklet just issued by the Columbia Broadcasting System. In simple language it explains the technique and methods of broadcasting, both on long and short waves.

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Radio promotion activities by the San Francisco Chronicle and San Francisco News are confined to a few special events and are not to be construed as heralding the return of radio columns to San Francisco newspapers, it was stated last week in Editor & Publisher.

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Commissioner George Henry Payne is the author of an article entitled "Theodore Roosevelt, Fox Hunter" in the December issue of the Long Island Forum.

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For the third time since it established a nation-wide competition four years ago, Variety magazine has chosen WLW as the recipient of one of its Showmanship Awards, James D. Shouse, Vice-President of the Crosley Corporation in Charge of Broadcasting, was informed this week. In a telegram to Mr. Shouse, Variety editors said that WLW had been selected for the award in the field of national exploitation. In 1936 and 1938, WLW received the award in the division of program-originating stations.

The Variety Showmanship Awards are considered the foremost of their type in the radio industry. A bronze plaque, emblematic of the award, will be presented to WLW.

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The Office of the American Commercial Attache, Caracas, reports it is estimated that over $500,000 worth of radio receivers were imported into Venezuela during 1938, and of this more than 75 percent came from the United States. The market at this time is principally for the larger table models and console models. Practically all receivers sold are the so-called "all-wave" models. Short wave reception is good, and almost all radio-users demand sets with tuning in the higher frequencies, as well as in the 250-550 meter band.

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CIO LEADER HITS FCC; VIEWS DIFFER ON WIRE MERGER

The Federal Communications Commission last week was charged with ignoring the rights of labor in perfecting plans to ask Congress to authorize the merger of Western Union and the Postal Telegraph Company as rumors were circulated that the members of the FCC are not in entire accord on the proposition.

A lengthy forecast in the New York Times of what the FCC report will contain was called "premature" by an FCC official, who pointed out that the Commission had just received a copy of the findings of its investigating staff and had reached no decision.

Joseph Selly, Vice President of the CIO American Communications Association, assailed the FCC in a statement based on the New York Times' report ( see December 8 issue of Heinl Letter).

Mr. Selly said that the FCC was concealing plans to permit the discharge of "thousands of workers" without really investigating the labor situation involved, and is hiding this alleged attitude behind the assertion that one of the chief obstacles to be overcome in the merger is a jurisdictional dispute between the C.I.O. and the American Federation of Labor with regard to which workers are to be employed.

"The main question is not what union, A. F. of L. or C.I.O., shall have jurisdiction over the workers in the merged company", Mr. Selly asserted. "The main question is whether the companies should be permitted to merge at the expense of their employees or whether a merger should mean better and more secure jobs for these employees.

"The American Communications Association (C.I.O.) has taken a very clear position on this question. We believe, on the basis of our intimate knowledge and evidence of conditions in the industry, that any merged company which would give efficient service to the public, meet the needs of the national defense and provide really national telegraph service, would require the services of all those presently employed and many more besides. We believe that any merged company which eliminated the bad working conditions now prevailing in Western Union would require many more employees in order to provide adequate service.

"This position was set forth in the hearings on Senate Resolution 95, which provided for an investigation of the telegraph industry. Our organization actively supported S.R. 95 because we believed that an investigation of the facts by a governmental agency would support our contentions.

"But the Federal Communications Commission has not bothered to investigate the facts before it blithely proposes to eliminate the jobs of thousands of workers. The FCC held meetings with the A.C.A. on its proposed merger plan after it had completed

its plan instead of before. The FCC representatives at a recent meeting with a committee of our union members told us that they were merely 'crystal gazing' as far as labor was concerned. Yet the FCC in the public press claims to have carefully studied this matter. This claim is fraudulent.

"The attempts of the FCC to present the labor side of the merger as a jurisdictional dispute are merely a blind to cover up its own ignorance on the whole question of labor in the communications industry, despite the fact that it is the regulatory agency involved."

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ENGLAND NOT TO GIVE UP ELECTRICAL TRADE DURING WAR

The U. S. Bureau of Foreign & Domestic Commerce, Electrical Division, last week published an article taken from "The Electrical Review" of London, with the observation that it "indicates England does not intend to relinquish the export trade built up in Latin America or other countries and will do all possible to maintain exports as well as to cultivate export trade formerly enjoyed by Germany."

The "Electrical Review" article follows, in part:

"Modern warfare demands for its successful prosecution the concentration of the whole of the resources of a nation upon that one aim. But this does not mean that the production of munitions of war is the sole consideration. A country like Great Britain has to ensure continuance of essential supplies from overseas, and while payment for these can be made in several ways, one of the most important is by the counterbalancing of imports by exports as far as possible. This need is accentuated by the difficulties of providing the 'invisible' exports (shipping, services, etc.) which help to square the account in peacetime.

"The stoppage of German electrical exports to a number of important markets should not merely be allowed to bring advantage to neutrals. The United States naturally hopes to capture a large share of former German trade, particularly in Latin America and there is no reason why she should not. But the large volume of our imports from South America demands that we should export as much as we can to these countries.

"The importance of maintaining export trade is fully recognized by the Government. In a recent memorandum to trade organizations, the President of the Board of Trade said that it was essential in the national interest that traders should be encouraged to maintain and increase their export trade to the greatest extent, consistent with vital war needs, and the Government was anxious to assist them in every possible way.

"The obtaining of the necessary supplies of materials is naturally the principal obstacle to production at the moment. A substantial proportion of materials used in electrical manufacturing has to be imported, but apart from this much of these materials is of the kind required for munitions of war. . . . . .

"It will be seen, therefore, that provided the supplies of materials can be maintained, and so far as war demands permit, there is ample scope for holding on to much of our electrical export trade. That trade, built up so laboriously during the past twenty years, must not be allowed to go by default. We are not shutting our eyes to the extremely severe handicaps which have to be surmounted, but we have sufficient faith in the inherent strength of our electrical manufacturing industry to feel sure of the preservation of a substantial proportion of the trade with the assurance that the Government will abide by its declared intention to foster and encourage export business."

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## FCC "EMINENTLY FAIR", WLW EXECUTIVE SAYS

James D. Shouse, Vice-President of the Crosley Corporation in charge of broadcasting and General Manager of WLW for the first time made public reference to the Federal Communications Commission last week, when he addressed 500 members of the Cincinnati Electrical Association.

"As most of you know, we at WLW have had in some respects more than our share of contact with this Commission", Mr. Shouse said. "Yet I would like to assure you that while our adherence to the policy of high power as the best means of improving service to small town and rural people seems currently to be at variance with the philosophy of the present Commission, we regard this divergence of views as an honest difference of opinion.

"We have found the Commission", he added, "in our many dealings with them, to be eminently fair and sincerely attempting to keep American broadcasting progressive and honest in its assumption of the obligation it incurs while operating on facilities supplied to it by the people of this country for the use and enjoyment of all Americans."

Mr. Shouse noted that radio is often accused by disgruntled critics of being subservient to pressure from Washington or Wall Street or any other group in particular disfavor with a considerable group.

"But", he said, "nothing could be further from the truth. Broadcasters have made mistakes, they make mistakes now, and I have no doubt but that in the future they will make mistakes, but I think it is extremely unlikely that these mistakes will include, at any time on the part of any thinking broadcaster, any foundation for the charge that radio broadcasting as we have it in the United States is the tool of any group or is influenced by any power other than the best judgment and the conscientious thought of the broadcasters themselves."

Freedom of the air is the fundamental principle of the American system of broadcasting, Mr. Shouse pointed out. "Nobody controls radio programs and nobody censors them except to conform with good taste and public interest. The result is that in the entertainment and educational end of radio there is a free and untrammeled expression of opinion and unlimited scope for ideas."

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RCA TO REDUCE TUBES TO 36

Reduction in the number of receiving tubes in the radio industry from 453 to a total of 36 types, which perform virtually all basic tube functions is the aim of a new program of the RCA Radio Tube Division, it was announced last week. A survey under the supervision of L. W. Teegarden, RCA Tube and Parts Sales Manager, has revealed that although 453 different types are produced by the industry, 90 percent of all sales are centered in only 90 tube types, for which only 20 basic functions exist.

Taking the initial step in the direction of tube standardization, Henry C. Bonfig, Commercial Vice-President of the RCA Manufacturing Company, announced that all new RCA Victor radio receivers and Victrolas now contemplated for future production will be designed to include the radio tube types on the "preference" list of thirty-six basic types. It was pointed out that standardization would not only help tube and radio manufacturers but wholesalers, dealers and service men as well.

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PRESS MUST CHECK RADIO PROPAGANDA, SAYS WRITER

The short-wave broadcasts of propaganda from abroad have saddled the American press with a new and serious duty, according to B. E. Lucas, author of a daily column, "We're Listening" in the Chicago Times, and veteran correspondent.

Writing in the December 9th issue of Editor & Publisher, Mr. Lucas said he had become convinced from listening daily to these broadcasts that "our newspapers have to be - for the duration of the war at least - the watchdog of radio.

"To consider the radio merely a competitor in the business of news dispensation is no longer possible. Long before the war started radio had become, to put it mildly, a force laying foundations for the molding of public opinion. The government shortwave stations London-Daventry, Paris-Mondial, and Berlin-Zeesen are the outspoken proof for this.

"It is these millions of Americans on which foreign radio propaganda is focused. They form the nucleus on which foreign propaganda is working with all its might to mold foundations for coming national and international events. And how many of these listeners conform with the outpourings of the people who run England, France and Germany, also Italy, Spain and Russia, becomes instantly evident if one listens to the letter box editors of the foreign stations. . . . . It would be ridiculous to assume that American shortwave listeners fall for foreign propaganda 100%."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF DECEMBER 15, 1939



No. 1193

FCC DISTURBED AT REPORTS OF MEXICAN WAVE SHIFTS

The Federal Communications Commission and the State Department are disturbed at authoritative reports that the Mexican Government is preparing to allow high-powered border stations to squat on clear channels assigned to the United States.

The border stations, which have been a source of friction between the United States and Mexico for several years, are operated by two Americans, who encountered difficulties with United States radio regulatory agencies and moved inot Mexico. They still direct their broadcasts, however, at United States listeners.

According to reports current in the Capital, Station XERA, at Villa Acuna, operated by John R. Brinkley, and XENT, of Neuvo Laredo, operated by Norman T. Baker, are to be transferred from shared Canadian wavelengths to American clear channels. XERA uses 180,000 watts and has authority to operate with 850,000 watts, whereas XENT broadcasts with 50,000 watts and has authority to use 150,000 watts.

Four channels used by 50,000-watt stations in the United States are being studied by Mexican officials, FCC officials are informed, with the idea of selecting two of them for the border stations' use. They are 710 kc. channel occupied by WOR, Newark; 720 kc. used by WGN, Chicago; 750 kc., WJR, Detroit; and 1170 kc., WCAU, Philadelphia.

XENT now shares 910 kc. with CFB, of Montreal, while XERA operates on 840 kc. along with CBL, Toronto.

The State Department and the FCC are still waiting for Mexico to ratify the Havana Treaty, which was designed to place relations between the United States and Mexico in radio matters on an amicable basis.

Officials are afraid that the new plan of Mexico, if carried out, will bring about another rift similar to that which existed between the two countries in radio matters several years ago.

The FCC also has been advised of the reallocation of 15 Cuban stations to eliminate interference with the United States. CMQ, Havana, has shifted from 780 kc. to 690 kc., used by CFRB, Toronto, in the principal move.

The immediate result of the CMQ shift was to relieve WMC, Memphis, WTAR Norfolk and WEAN, Providence, all on 780 kc., from interference which has troubled them for approximately a year.

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RADIO PROTECTION FOR GREAT LAKES AND INLAND WATERS URGED

Present radio communication facilities of shipping on the Great Lakes and coastal waters do not adequately protect life and property, Commissioner Thad H. Brown reported to the Federal Communications Commission this week in recommending legislation and other regulation to insure better safeguards.

For ships on the Great Lakes, a uniform system of radiotelephony is proposed. This would be established by formal agreement between the United States and Canada, supplemented by legislation of the respective countries, to take effect for the 1942 navigation season.

For vessels using the bays, sounds, and other seaboard waters of the United States, an optional use of radiotelephony or radiotelegraphy is recommended, effective January 1, 1942.

This is the gist of an exhaustive "special study of the radio requirements necessary or desirable for safety purposes of ships navigating the great Lakes and the inland waters of the United States" ordered by Congress on May 20, 1937, in amending the Communications Act of 1934 for the purpose of promoting safety of life and property at sea through the use of wire and radio communication.

The Federal Communications Commission, on May 26, 1937, designated Commissioner Brown to conduct the study, with the aid of a special staff of selected technicians.

The FCC as a whole must now consider the report and transmit "recommendations and reasons therefor" to the Congress not later than December 31st.

"The present system of radiotelegraph communication is not sufficient for the adequate protection of Great Lakes shipping because of the limited number of vessels subject to compulsory installation and the short season of operation of those vessels", the report says in its conclusions. It points out that "a very large part of the merchant marine of the United States is engaged in the navigation of the Great Lakes".

"The Great Lakes area is visited by frequent storms because of geographical location and distance from mountains and other protective land masses", comments the report. Because of ice conditions the season of interlake navigation is restricted to about eight months of the year. From 1923 to 1937 there were 1570 navigation casualties on these lakes involving American vessels, in which 326 lives were lost and property damage amounted to nearly $30,000,000. Most of the vessels concerned were not equipped with radio. In instances where vessels were so equipped there was little or no loss of life. Captains of American cargo vessels on the lakes testified to the usefulness of radio facilities in facilitating safe navigation."

The United States, on July 7, 1936, ratified the International Convention for Safety of Life at Sea (drafted at London in 1929), but radio requirements for vessels engaged on international voyages have not been interpreted to apply to the Great Lakes. The Governments of the United States and Canada have confirmed this interpretation by enacting legislation with respect to the lakes without regard to the convention. However, radio requirements of both countries are not uniform. Congress seems desirous of correcting this situation for, in the report which accompanied the bill directing the present inquiry, it was said:

"In this situation, it is earnestly hoped and expected that the State Department will in the near future reach an agreement with the Canadian Government for the utilization of radio to its fullest extent as a safety factor for shipping on the Great Lakes so that the ships of both countries will be placed on a basis of equality in this respect and will receive assistance from the ships of each other as on the high seas."

Specific recommendations in the report include:

"1. A system of radio communication for safety purpose should be required by law for designated classes of vessels navigated on the Great Lakes.

"2. The system should be uniform in all fundamental respects for vessels navigated on the Great Lakes regardless of national registry.

"3. The method of communication to be employed for safety purposes should be radiotelephony.

"4. The Great Lakes are the territorial waters of the United States and Canada, respectively, therefore it is believed that the desired uniform system of radiotelephone communication for safety purposes can best be established by formal agreement between the Governments of the United States and the Dominion of Canada, supplemented by legislation of the respective countries.

"5. It is suggested that the formal agreement be negotiated by the Department of State of the United States and the appropriate Government body of the Dominion of Canada. However, it is the belief of representatives of the Federal Communications Commission and of the Department of Transport of the Dominion of Canada that a more satisfactory result could be obtained from a technical standpoint if another year of experience and experiment with radiotelephony could be obtained before the conclusion of such an agreement. It is further the belief of these representatives, and it is recommended, that agreements be negotiated and that supplementary legislation be drafted with a view of placing the radio requirements in effect beginning with the 1942 season of navigation on the Great Lakes."

Other recommendations specify the classes of vessels which should be subject to requirements as to radio apparatus and the maintenance of radio watches, provide forfeiture against a vessel for violation, and would authorize the Federal Communications Commission to administer the provisions of such an international agreement in its application to Great Lakes shipping under the American Flag.

In the case of shipping on bays and sounds, the same report makes these recommendations:

"1. Radiocommunication facilities for safety purposes should be required by statute for designated classes of vessels of United States registry navigated on bays and sounds of the United States.

"2. The method of radiocommunication, whether radiotelegraphy or radiotelephony, should be optional for all bay and sound vessels compulsorily equipped by reason of such statute."

After specifying types of passenger vessels subject to radio installation and discussing radio requirements, the report says that any such vessel should for safety purposes carry at least one qualified operator and that a continuous watch should be maintained whether by a qualified operator or by an approved type of automatic receiving apparatus. Likewise, thses supplemental recommendations provide forfeiture for violation and propose legislation to give the Federal Communications Commission authority to approve, inspect and otherwise regulate such marine radio equipment.

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## FCC FIELD OFFICE ESTABLISHED AT CLEVELAND

Establishment of a permanent field office at Cleveland, Ohio, effective January 1, was ordered this week by the Federal Communications Commission. It will be located in quarters used for the Commission's Great Lakes and Inland Waters Survey, now completed. This office will be a sub-office of the main district headquarters office at Detroit, and will be manned by one inspector and an assistant to be transferred there.

The Cleveland office is made necessary by the fact that in the past fiscal year inspectors from the Detroit office, besides making regular inspections of broadcast, police, aeronautical, and other radio stations in the Cleveland area, made regular trips to Cleveland to examine 734 applicants for radio operator licenses.

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# DISK DESIGNATION REQUIREMENTS CONTESTED

Elimination from the regulations of the Federal Communications Commission of its requirement that transcribed and recorded programs be announced as such was sought in a petition filed this week by Gerald King, President of the Radio Transcription Producers' Association of Hollywood, Inc. In the event the Commission does not look favorably on elimination of such announcements, the petition asks that they be required only at the end of the program.

Mr. King, through Attorney Ben S. Fisher, asks that the Commission give serious attention to this problem during its consideration of the report of its Monopoly Committee. The Commission was informed that the section of the regulations which require announcement of the fact that a radio broadcasting station is using a transcription at the beginning of such a program and during each 15-minute interval has grown obsolete and is of no value to the listening public and should be eliminated.

The petition contends that the public is interested only in the substance and quality of the program broadcast and whether it comes from a transcription made by live talent or by means of mechanical devices such as a transmitter and wire line of live talent, makes no difference to the listening public.

It was added that the more recent perfection of mechanical transcriptions tended to make the quality of both types of programs similar and the effect upon the listening public would be almost indistinguishable.

The public, the petition continued, has the privilege of listening to the program of its choice and whether it be live talent or transcriptions, thelatter should not be penalized by reason of the fact that the broadcasting station has chosen this type of program as being superior to live talent.

The regulation regarding transcribed programs, it was said, has been in effect since the days of the old Federal Radio Commission. It was adopted on the premise that it was misrepresentation without informing the public.

However, it was pointed out some stations with live talent programs available, are unable to put them on the air at the time they come over the chains, and therefore record them for reproduction later in the day.

There is a probability that the Commission's Monopoly Committee will have something to say about the matter in its report to the Commission. The fact-finding report has been completed and was delivered to the Committee early this week. It is to be considered immediately. The Committee gave considerable attention to the matter of transcription broadcasting during the public hearings which covered a period of more than six months.

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# FCC FAR AHEAD OF NEW DEAL IN "ALPHABET SOUP"

The Federal Communications Commission now has approximately 65,000 active radio call letter assignments outstanding, exclusive of Government stations, according to a report issued this week.

In round figures, this includes some 800 standard broadcast call letters; 600 broadcast other than standard; 400 experimental; 3800 ship radio; 1800 aviation radio; 1100 police radio; 250 forestry radio; 54,000 amateur radio; 300 coastal radio; 800 fixed radio, and the rest miscellaneous.

Licensing of both radio stations and operators is now according to a definite plan. This is in contrast to the early days of radio when there was little or no system.

At the turn of the century it became apparent that wireless stations should have certain designated letters in order to avoid confusion. The Berlin international radio convention of 1906 proposed such a system, effective in 1908. This convention was not ratified by the United States until 1912, consequently the procedure of assigning call letters was not followed in this country until after that time.

Under the international system, the first letter or the first two letters of the call signals indicates the nationality of the station. Ratification of the Berlin convention gave the United States use of three letters - N, K and W. Hence the present domestic assignment of combinations beginning with those letters. These are allocated by the Federal Communications Commission as follows:

Call letters beginning with N are reserved for the exclusive use of the United States Navy and the United States Coast Guard.

Call letters beginning with K are assigned to stations located west of the Mississippi River and in the territories of the United States.

Call letters beginning with W are assigned to stations east of the Mississippi River.

Call letters beginning with KH followed by various combinations of three letters are reserved for aircraft radio stations.

Any existing call letter assignment not in accordance with this policy is due to the fact that the station was licensed before the allocation plan was adopted.

Prior to radio regulation, wireless stations used whatever call letters struck their fancy, the FCC report pointed out. Thus, a commercial station at Point Judith, Rhode Island, used PJ, and one in New York City adopted NY. Enactment of the pioneer Radio Act in 1910 reassigned calls and did away with duplication.

During the infancy of radio practically all land stations were on the coast and all communication was between ship-to-shore stations. As inland stations developed, the Mississippi River was made the dividing line of K and W calls. KDKA, at East Pittsburgh, Pa., is one of the early broadcast stations which were assigned the K letter before the present system was put into effect.

Most of the early call letter assignments were for three letters. About the time the United States entered the World War this combination had become exhausted, making it necessary to add another letter. The International Radio Conference in 1927 allocated the remaining combination beginning with KA, KB and KC to the United States. Four-letter calls under this convention are assigned to ships and fixed stations in domestic point-to-point service and five-letter calls are given to radio equipped aircraft.

All classes of experimental stations are assigned calls with the initial letter K for outside stations and W for those within the continental limits of the United States, followed by a number designating the radio district, followed by the letter X to denote experimental, followed by a group of not more than two letters.

When broadcasting first gained popularity, the idea of assigning call letters that would have special significance reached its climax in picking KOP for a Detroit Police Department station. This brought a deluge of requests for call letters embodying the initials of places, names, or slogans. Thus there still is WRC, meaning Washington station of the Radio Corporation. WGN was assigned the "World's Greatest Newspaper" (Chicago Tribune); WCCO, to Washburn Crosby Company, and WACO to Waco, Texas. WMMN, Fairmont, West Virginia, bears the initials of Senator Matthew M. Neely of that State and WJJD was initialed for James J. Davis, head of the Loyal Order of Moose and now Senator from Pennsylvania. Miami Beach, Florida, couldn't get all the letters in its name but was appeased with WIOD, meaning "Wonderful Isle of Dreams".

Some call letters used today have been inherited from stations which made headlines through tragedy. KGB, now assigned to a station at San Diego, was formerly used by the steamship D. H. LUCKENBACH sunk by a submarine off the coast of France in 1917. KOB, at Albuquerque, New Mexico, was assigned to the steamship PRINCESS until she broke in two on Rockaway Shoals, New York. Radio played an important role in the rescue of the 106 persons on board.

Using four letters, there are nearly 50,000 possible call-letter combinations. This is not sufficient to take care of amateur radio stations, which greatly exceed all others in number, so a special system of call assignments had to be worked out for the self-styled "hams".

Result: about 100,000 letter permutations have been used in amateur calls. Hundreds are assigned weekly in new, renewed, or modified licenses. The plan adopted for amateurs is governed partly by treaty, partly by statute, and partly by regulation.

Treaty limits an amateur call to not more than two letters plus one digit plus not more than three letters, and assigns initial letters to indicate nationality. Statute authorizes the Federal Communications Commission to designate and publish calls. Regulations give preference to assignment in regular order rather than on a request basis. The digit in amateur calls indicates location in one of the nine amateur call areas now in operation.

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## RETIREMENT OF BROWN RUMORED BUT UNCONFIRMED

The imminent retirement of Thad H. Brown from the Federal Communications Commission was rumored this week but brought neither confirmation nor denial from the Commissioner. The story is that Mr. Brown would practice law in Washington and Ohio.

One of the reports went so far as to suggest that Carl I. Wheat, special counsel of the FCC in the telephone investigation, has been chosen as Mr. Brown's successor.

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## LABOR RELATIONS UNIT OF FCC TO BE CONSIDERED

The Federal Communications Commission will study in the near future a suggestion that a labor relations unit be set up within the FCC to keep abreast of labor conditions in the communications industry, Chairman James L. Fly has indicated.

The Chairman said some thought has been given to the matter, but it has not been taken up formally by the Commission. Such a unit, it is understood, would be concerned principally with labor problems in the telephone and telegraph fields, but might concern itself with broadcasting labor troubles as well.

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## TRADE NOTES

The Federal Communications Commission this week granted authority to the Atlanta Journal Company to sell Station WSB, Atlanta, to James M. Cox, Ohio and Florida publisher, and one-time presidential candidate. The sale price was $1,826,125, and in addition Mr. Cox agreed to purchase outstanding preferred stock for $117,560.

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Austin E. Joscelyn, who has been Eastern Sales Manager of the Radio Sales Division of the Columbia Broadcasting System for two years, has been appointed manager of Station WBT, Charlotte, N.C., owned and operated by Columbia. Mr. Joscelyn succeeds Lincoln Dellar, who has resigned to become Manager of Station KSFO Columbia's affiliate in San Francisco. Howard Meighan, a member of the Radio Sales sales staff, for five years, becomes Eastern Sales Manager in Mr. Joscelyn's place. The appointments were announced by Mefford R. Runyon, Vice-President of CBS.

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Clarence W. Farrier, television coordinator of the National Broadcasting Co., this week addressed 50 members of the American Society of Agricultural Engineers, Washington Section, on "Recent Developments in Television".

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A contract-signing ceremony at Griffith Stadium this week revealed that Arch McDonald will return to Washington to resume his broadcasting role for the Nats' 1940 games both at home and on the road. This ended long negotiations between McDonald, President Clark Griffith, of the Washington Club, and A. D. Willard, Jr., General Manager of Station WJSV, which owns the radio privileges of the Nats' games.

McDonald, highest-paid baseball announcer in the United States last season when he initiated the broadcasting of the Yankees' and Giants' home games in New York, was elated at the outcome of the negotiations.

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The Portorican American Broadcasting Co., of Ponce, Puerto Rico, was granted a construction permit this week by the Federal Communications Commission to operate on 1340 kc., with 1 KW power, unlimited time.

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Station KOH, Reno, Nevada, will become affiliated with the National Broadcasting Company effective Jan. 1, as a supplementary outlet available to network advertisers using either the Pacific Coast Blue or Red Network, according to William S. Hedges, NBC Vice-President in charge of Stations Department. KOH is owned by The Bee, Inc., of the McClatchy Newspapers, and operates on

a frequency of 1380 kc., with a power of 500 watts. Addition of KOH will bring the number of NBC affiliates as of Jan. 1, to 181 stations.

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The net income of R.C.A. Communications, Inc., for the ten months of 1939, ending October 31, was $959,395 as compared with $292,902 for the corresponding period in 1938, it was disclosed this week. The comparative statement follows:

| | 1939 | 1938 |
|---|---|---|
| October gross | $742,488 | $457,404 |
| Net income | 234,404 | 55,779 |
| Ten months' gross | 5,276,002 | 4,342,938 |
| Net income | 959,395 | 292,902 |

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From Leonard Lyons' "The New Yorker" column:

"Saturday Night, in Washington, Jim Farley saw Frank McHale, campaign manager for Paul V. McNutt, conferring with Louis Ruppel, the former editor of the Chicago Times, who now is Publicity Director for the Columbia Broadcasting System . . . "Just one bit of practical advice", Farley told McHale. "Don't hang out with Ruppel" . . . "Why not?" asked McNutt's manager . . . "Because", explained Farley, "he can't get you any delegates."

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## FREQUENCY MODULATION REPORT BEING STUDIED

Use of frequency modulation in radio broadcasts in place of the amplitude modulation now used in standard broadcast stations is being studied by the Federal Communications Commission. In view of the fact that its adoption will completely change the present radio broadcast transmitting systems, it is expected that the Commission will consider the matter at some length before acting.

Adoption of this plan for use by broadcast stations, it was said, requires a complete change of transmitters and would make all standard-wave receiving sets obsolete. This would mean a heavy expense on the listening public. It was indicated at the Commission's offices that if the plan is approved for licensing purposes that the changes would have to be gradual.

The matter was laid before the Commission in a report by its Chief Engineer, Lieut. E. K. Jett, which went into detailed description of the two systems. Technical radiomen familiar with the proposed system, which uses ultra-high frequencies in the radio spectrum, say that it may eliminate static. Receivers in the center of electrical storms do not register static, it was said. The transmitting apparatus, it was said, is cheaper to construct, as well as cheaper to operate, and occupies considerably less space than the present apparatus used in broadcasting.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF DECEMBER 19, 1939



No. 1194

December 19, 1939

INVESTIGATION UNIT POSSIBLE IN FCC BUDGET

Creation of an investigation division within the Federal Communications Commission, which would examine the qualifications of applicants for new radio stations, was seen this week if Congress approves a Budget Bureau recommendation of $2,100,000 for the FCC in the fiscal year 1940-41.

FCC officials appeared before the House Appropriations Sub-Committee last week in executive session and explained the need for the investigation unit.

The Commission asked the Bureau of Budget for $3,115,000 for the new fiscal year but was allowed only $2,100,000, which is $300,000 more than the current appropriation. Of the $300,000, additional $150,000 will be for personnel and the other $150,000 for modernizing its monitoring system.

Additional funds may be asked of Congress for the FCC under the Special National Defense Appropriation which President Roosevelt will submit to Congress shortly after it convenes, it is understood.

Included in this budget may be estimates for mobile monitoring units to be used in checking short-wave operations. It has been suggested that these mobile monitors would be a safeguard against unlawful operations of short-wave stations, either licensed or unlicensed.

The Investigation Division, if set up, would include a dozen or fifteen experts, and would cost about $50,000 a year, it is estimated.

As has been indicated, the Investigation Division would be used primarily to inquire into the qualifications of new station applicants as well as to pursue other inquiries specifically assigned by the Commission. Need for preliminary study of prospective station licensees has been repeatedly emphasized not only to assure the Commission of first-hand information regarding prerequisites but also to prevent hearings on such applications when it might be learned beforehand that the applicant is automatically disqualified. Such matters as citizenship, lack of financial responsibility and character of background, are included.

Chairman James L. Fly has already taken cognizance of the plight of broadcasters forced to defend themselves against irresponsible applicants, declaring he hoped to devise means of correcting this situation.

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# PROGRESS NOTED IN RADIO WEATHER FORECASTING

Recently, a significant advance has taken place in weather forecasting, based on the routine collection of upper-air data to heights of 15½ miles by means of radio soundings, according to the Bureau of Standards. This method, developed at the Bureau, has supplanted the use of airplanes carrying calibrated recording instruments for securing upper-air data.

"The radio-sonde system", a report in the Technical News Bulletin, explained, "employs an instrument carried aloft on a small unmanned balloon, and ground-station receiving and recording equipment. The balloon instrument, or radio sonde, comprises elements for measuring barometric pressure, air temperature, and humidity; a radio transmitter and power supply; and means for impressing on the radio transmitter modulating frequencies which have predetermined relationships to the values of the factors measured. At the ground station, the frequencies of the received signals are measured and recorded automatically, thereby providing a plot of temperature and humidity against pressure.

"A year's experimental use of the system during 1938-39 at 12 stations by the Navy Department, Weather Bureau, and Coast Guard provided data which exceeded both in regularity and accuracy the observations previously obtained by the airplane soundings. During the present fiscal year, the service is being expanded to include 30 land and 5 shipboard stations. One of the features of the experience with the radio-sonde system has been the excellent operation obtained by the shipboard stations.

"An improved form of the radio sonde has been introduced at three of the stations and is to be used soon at six more stations. The essential improvement consists of the incorporation of a new device for measuring relative humidity, which utilizes the phenomenon of variation in conductivity of a hygroscopic salt when exposed to different relative humidities. In its operation as a resistor - the value of which varies with relative humidity - it parallels the temperature element used in the radio sonde, which functions as a resistor varying in accordance with the ambient temperature. The two measuring resistors and two fixed reference resistors are switched into the modulating oscillator of the radio sonde by a switch responding to changes in the ambient pressure. The modulating frequency is thereby controlled to provide measurements of pressure, temperature, and humidity.

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## GENERAL ELECTRIC APPLIES FOR TELEVISION PERMIT

General Electric Co., Schenectady, last week applied for a construction permit for a new television broadcasting station to be located at New Scotland, N. Y., for operation on 156000-162000 kc., with 10 watts power, unlimited time.

The international short-wave station, WRUL, operated by World Wide Broadcasting Corp., Boston, asked for authority to increase its power from 20 to 50 KW.

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## NAB CODE SUBJECT OF NEWSPAPER FORUM DEBATE

A full page of contrary opinions on the Code of the National Association of Broadcasters was carried by the Washington Post Sunday in its weekly "American Forum" feature.

The lead articles were given to Neville Miller, President of NAB, who defended the Code, and to Elliott Roosevelt, who criticized it. Others who wrote in its behalf are Roger Baldwin, Director of the American Civil Liberties Union, and Norman Thomas, Chairman of the Socialist Party of America. Siding with young Roosevelt were Frank E. Gannett, publisher, and Morris Ernst, liberal lawyer and writer.

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## FIVE NEW STATIONS RAISES TOTAL TO 812

The Federal Communications Commission issued operating licenses to five stations during the month of November. One operating station was deleted and four construction permits were issued for the construction of new stations.

There are now 755 standard broadcast stations operating and 57 under construction; bringing the total to 812.

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Willi Falke was sentenced to four years in the penitentiary last week for listening to a foreign radio broadcast in Berlin, according to the Associated Press. The court ruled that "it is dishonorable for a German to listen to lying foreign broadcasts which form the main weapon against Germany".

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## REVOCATION HEARING OPENED BY FCC

The Federal Communications Commission this week was holding a hearing on revocation proceedings against WSAL, Salisbury, Md., based on charges of purported lack of financial responsibility and transfer of license without authority. The licensee is Frank M. Stearns. Glenn D. Gillett, consulting engineer, also was named a party, in view of financial interest in the station.

A hearing on the renewal of license of WBAX, Wilkes-Barre, Pa., was ordered for Jan. 16 under a tentative calendar. The station license is held by John H. Stenger, Jr., but litigation developed over ownership and operation of the outlet. The hearing was ordered on the matter of control, with Mr. Gillett also a party.

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## EUROPEAN PROGRAM EXCHANGE CONTINUES DESPITE WAR

A striking example of how international broadcasting remains undeterred by wartime difficulties was given by a concert from Italy that British listeners heard recently. Arrangements had been made months before for the relaying in BBC transmissions of the Italian program, but, on the assumption that the new conditions would prevent the broadcast's taking place, a concert by the BBC Salon Orchestra was planned as a substitute. While the orchestra was in the studio, waiting for the flick of the red light, there was a sudden 'phone call from the control room to say that the Italian engineers had come through to test the lines, and to confirm that Britain was waiting to take their program as planned.

Since then, programs originating in European countries have been - and are being - frequently heard by listeners to BBC broadcasts. In recent weeks, concerts from, for example, Turkey, Holland, Finland, and Switzerland, and several programs from Paris, have been relayed, Similarly, countries in Europe continue to relay programs originating in BBC studios.

Many of the broadcasts already heard were arranged before the war through the International Broadcasting Union at Geneva, that from Finland being taken by Germany as well as by Great Britain.

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# FCC KIDDED AT RADIO LAWYERS' CHRISTMAS PARTY

There were some hearty laughs at the expense of the members of the Federal Communications Commission, who, generally speaking, are inclined to take themselves pretty seriously, at a Christmas party given by Louis G. Caldwell, former president of the Federal Communications Commission Bar Association, in honor of Philip J. Hennessey, Jr., newly elected president of that Association, and Mrs. Hennessey. For several years now, these radio lawyers in their clever skits at annual dinners, have caused many a Commissioner to feel probably as does President Roosevelt sometimes, when the boys make it particularly warm for him at the Gridiron.

Even as the guests entered the Caldwell home, they realized they were in for a pretty hilarious time when they saw a large sign over the door of the room where the men checked their hats and coats, which read: "Inter-Venenors", while over the doorway into the room where the ladies left their wraps was a placard reading "Inter-Venuses".

Downstairs most every room was labeled. One had a sign, "Hearing Room - Intervenors Not Allowed (for Long)". "Persons Adversely Affected -- This Way" was a sign pointing from the Hearing Room to the Bar Room. Other inscriptions noted were: "Please Reflect International Culture and Good Will (This Rule Temporarily Suspended By FCC)"; "No Controversies On Important Matters"; and "This House is a Closed Shop Under the NAB Code".

There was a witness book which every guest had to sign and a bound volume containing the guests' acceptances, which was presented to Mr. and Mrs. Hennessey. In accepting, at least two of those invited said that they were enclosing 14 copies of their acceptance, thus complying with the FCC extra copies rule.

There were three past presidents of the organization present - first president, Mr. Caldwell, formerly Chief Counsel of the Commission and now attorney for Station WGN, of Chicago, and others; Duke M. Patrick, and Frank J. Roberson.

In presenting the illuminated crown of the presidency to Mr. Hennessey, Mr. Roberson remarked, "I hope you have better luck with the Commission than I did".

The proceedings were interrupted by the shrieking of police sirens, which proved to be the broadcast, presumably, of a riot occasioned by the pleading of the Federal Communcations Commission Bar Association, and the election of Mr. Hennessey. This broadcast, which was made to order by NBC, under the direction of Mr. Bellar of Mr. Caldwell's law firm, proved to be a regular Orson Welles, "Martian" thriller.

Among those at the party, many accompanied by their wives, were Federal Communications Commissioners Paul A. Walker and T.A.M. Craven; Congressman Clarence F. Lea, of California, Chairman of the House Interstate Commerce Committee; Senator Wallace White, of Maine, of the Senate Commerce Committee; Frank M. Russell, Vice-President of the National Broadcasting Company; Kenneth H. Berkeley, Manager of the NBC in Washington; Ted Shawn, of the NBC; Paul Porter, counsel of Columbia; William J. Dempsey, Chief Counsel of the FCC; former FCC Commissioner Judge E. O. Sykes; Thomas P. Littlepage, Jr., radio counsellor; Jouett Shouse; Donald Richberg; Marriner S. Eccles, of the Federal Reserve Board; Justin Miller and Harold M. Stephens, Associate Justices of the D. C. Court of Appeals; Justice Bolitha J. Laws of the U. S. District Court, and Martin Codel, publisher of Broadcasting Magazine. There were also present numerous members of the Gridiron Club and their wives.

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FORMULA FOR CHILDREN'S PROGRAMS APPROVED

An eight-point formula was prescribed for children's radio programs this week at a luncheon meeting at the Town Hall Club of members of the Radio Council on Children's Programs and representatives of the National Association of Broadcasters and major networks, including the National, Columbia and Mutual systems.

The formula, which was approved by the broadcasting officials, provides that children's programs be entertaining, be dramatic with reasonable suspense, possess high artistic quality and integrity, express correct English and diction, appeal to the child's sense of humor, be within the scope of the child's imagination, stress human relations for cooperative living and intercultural understanding and appreciation.

Mrs. Harold V. Milligan, Radio Chairman of the General Federation of Women's Clubs and head of the Council, cited the eight points as attributes juvenile radio entertainment should have in order to be included in the recommended lists that the Council will distribute to affiliated organizations.

It also was reported that the Broadcasters Association intends to include the eight-point formula in its code of self-regulation, the New York Times reported.

The Council, which has national headquarters at 45 Rockefeller Plaza, was formed "to bring about better children's radio programs". Mrs. Nathaniel Singer, Radio Chairman of the United Parents' Association and National Vice-Chairman of the Council, is Executive Secretary in charge of activities. Five organizations compose the Council: the General Federation of Women's Clubs, the American Library Association, the United Parents' Association, the New England Council of Women and Junior Programs, Inc.

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## A. T. & T. EMPLOYEES PROTEST WIRE MERGER PLAN

An organization of employees of the American Telephone and Telegraph Co., announced this week in New York City that it would protest to the Federal Communications Commission against any unification of the Western Union and Postal Telegraph companies which would affect the A. T. & T.

The memorandum of the Federation of Long Lines Telephone Workers, to be filed with the FCC, objected to the FCC's reported plan to recommend a merger of the telegraph companies which would permit the new concern to take over the leased wire and teletypewriter exchange services of the A. T. & T., "so as to bolster the revenues of the consolidated organization".

Opposition to such a plan, the organization said, was based on the possibility of "damage to a large number of employees in our organization which might very well result therefrom through furloughs, layoffs, discharges or otherwise". The Federation claims a membership of 8,500.

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## BRITISH GET RADIO SCRIPTS FROM WESTERN FRONT

Much of the war news broadcast by the British Broadcasting Corporation and heard via short-wave in this country, is obtained directly from the front-line of the western front, according to the BBC.

Describing how its observers "get the story", the BBC submits the following account:

A machine-gun post in the French front-line was the studio; a BBC observer the artist. The control-room was a camouflaged car, drawn up in a tree-shaded position 200 feet behind the post. About eighty-five feet away was the enemy's front line. . .

Peering through the gun embrasure, the BBC observer, microphone in hand, described what he could see; back in the car, an engineer ensured that the description was satisfactorily recorded. The enemy may well have watched him at work.

But all was quiet in the German lines that day, and so, in due time, a graphic sound-picture of life on the edge of No Man's Land was heard by listeners to BBC programs.

The occasion was typical of how the BBC's observers on the Western Front - Richard Dimbleby, David Howard, and the recording engineer, H.F.L. Sarney - "get the story".

Already the saloon car that carries the recording equipment has travelled thousands of miles in the search after "actuality", and the results have given to listeners not only vivid impressions of daily life in and behind the lines, but unique assurances of the welfare, cheerfulness, and determined enthusiasm of the men who are "out there".

Officially accredited as war correspondents, wearing uniform and ranking as officers, Dimbleby, Howarth, and Sarney are based in a hotel in a French town behind the lines. (The BBC observer with the R.A.F. in France - C.J.J. Gardner - is stationed elsewhere.)

An attic that is at once a recording studio, office, sitting-room, and a bedroom for their batman is their headquarters; on a baize-topped table is a microphone; there is a mattress on the floor and a couple of armchairs, a sideboard, and a radiogram against the walls. Through the window runs the cable that connects the microphone to the recording car in the garage below.

"We use the room", said Dimbleby, in an interview, "as a studio for recording the commentaries linking the actuality accounts, and for modifying the records in accordance with the censor's requirements."

Scrips are made of all recorded material and of the linking commentaries for submission to the censors. The records are "sub-edited" as corrections on the scripts may demand, then the censors are invited to the studio in the attic to hear and check the final recordings. On each passed disc an officer records a few words signifying approval.

Then the records are ready for despatch. While Dimbleby and his colleagues sleep, the discs are flown to England, and less than twenty-four hours after their original cutting, are available for broadcasting.

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MOTHER HEARS SON BROADCAST GRAF SPEE SINKING

A Washington woman had a double thrill Sunday when she heard the radio description of the sinking of the German pocket-battleship, Admiral Graf Spee, off Montevideo. The woman is Mrs. Jane Bowen, Director of the Alva Belmont House, headquarters of the National Woman's Party. The announcer who delivered a rapid-fire eye-witness story of the sinking is her son, James, whose voice she had not heard in four years.

Just as James, who is 43, was asking National Broadcasting Company headquarters in New York to communicate with his mother so that she would know he was to broadcast what was expected to be the Graf Spee's dash through the Allied cordon, the battleship exploded and he was immediately connected in with the regular hook-up. NBC notified Mrs. Bowen by phone.

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## TRADE NOTES

Powel Crosley, Jr., President of the Crosley Corporation, of Cincinnati, has been appointed to a colonelcy by Governor John E. Miles of New Mexico. He will serve as aide-de-camp on the Governor's staff.

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Consolidated Edison, advertising in the New York Times last week, pointed out that one cent's worth of electricity "will bring you three hours and six minutes of radio entertainment from your G.E. radio-phonograph."

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One of the busiest spots around Washington is the site of WJSV's new 50,000-watt transmitting plant at Wheaton, Md., just north of Kensington. Workmen from a dozen trades swarm over the swanky, ultra-modern building. Already the three 340-foot antenna towers have altered the complexion of the countryside. When the plant is completed about February 1st, a new sightseeing spot becomes available, an old familiar landmark near Alexandria will pass (the existing 10,000-watt transmitter on Memorial Boulevard).

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Frederick L. Redefer, Executive Secretary of the Progressive Education Association, has been added to the Board of Consultants of "Columbia's American School of the Air", according to Sterling Fisher, CBS Director of Education. Other officials of the Association on the Board are Miss Margaret Harrison, the organization's radio consultant, and Miss Alive V. Keliher.

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A Wireless Telegraph Board has been established in South Africa, according to the American Commercial Attache at Johannesburg. Its functions will be to consider all matters relating to radio, to coordinate Government policy in respect of radio, and generally to assist the Postmaster-General in exercising the control vested in him. The new Board will be presided over by the Director-General of Signals. The telegraph regulations have now been amended by the addition of a provision that in all matters relating to radio within the Union, the Postmaster-General shall be guided by the recommendations of the Wireless Telegraph Board. No license shall be issued under the Radio Act of 1926 without the recommendation of the Board.

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## RCA, G.E. AND WESTINGHOUSE SIGN AGREEMENT

Announcement that the Radio Corporation of America has entered into new license agreements with the General Electric Company and Westinghouse Electric & Manufacturing Company was made this week by officers of the three companies. The new agreement is supplemental to license agreements which have been in effect between the companies since 1932.

Expanding research and engineering activities of the several companies, providing new horizons of application of radio and electronic devices, make the new arrangement desirable, it was stated. Under the new licenses for the United States and most foreign countries, RCA will be enabled to put the results of its research to broader uses in both radio and other industries employing electronic devices. In general, RCA has acquired from General Electric and Westinghouse the right to sell, and to grant licenses to others for the sale of, most types of radio tubes for all uses, and has also acquired the right to sell associated apparatus for many uses.

Under the agreement, General Electric and Westinghouse acquire from RCA the right to sell equipment, including tubes, for many radio applications, such as broadcasting transmitters, television and facsimile apparatus, and airport equipment.

The new agreement widens the scope of activities of the three companies by giving to each a broader market for its products and services, a joint statement said.

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## WOR SPECIAL FEATURES INCREASE 23% IN YEAR 1939

The stroke of midnight marking the New Year 1940 will bring to a close a year marked by an increase of 23% in Special Features, spot news, talks and sports broadcasts heard over WOR, New York City, during the past twelve months. It also will mark the fifth anniversary of the Special Features Division, begun in 1935 by G. W. Johnstone, Director of Public Relations and Special Features.

More than 1005 spot news, talk and special feature programs will have been heard over WOR by January 1 in contrast to 720 heard over WOR in 1938. Five hundred and twenty-two were broadcast in 1937. Of the 1939 total of 1005, more than 637 were originated by the WOR Special Features Division. The WOR originations do not include a large number of European originations by Mutual which were handled in one form or another by the WOR staff. For example, the scores of European broadcasts technically booked and accounted for by the Mutual Broadcasting System during the war crisis and ensuing months were in a large part supervised, directed and routed by WOR Special Featuresmen, assisted by members of the Program Department.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF DECEMBER 22, 1939



No. 1195

STUDEBAKER HOLDS COOPERATION VITAL IN REPORT TO FCC

Broadcasters and educators must work together for the preservation of democracy if the American system of radio is to survive, Dr. John W. Studebaker, U.S. Commissioner of Education and Chairman of the Federal Radio Education Committee, told the FCC in a lengthy report on the Committee's activities late this week.

"There is, and there can be, no basic conflict between the educators and broadcasters within the proper concept of the American way", he said.

"Broadcasters enjoy the privileges of broadcasting only because the American people are abidingly devoted to the perpetuation of a system of life under which the individual may enjoy the fullest freedom as a concomitant of his actions in the commonweal. The American system of education is the strongest bulwark for the continuation and perpetuation of that system in this country today. Therefore it is a mutual necessity that broadcasters and educators shall work together for the solution of the problems of education through radio in the truly democratic manner represented by the Federal Radio Education Committee."

In a preface to the report, Dr. Studebaker said:

"I hope that I shall not be considered too naive if I introduce this report with the simple statement of a fact which is well known to everyone in radio and, now, to a generous portion of the American public:

"Among the several possible approaches to broadcasting the American approach and the British or European approach offer sharp contrast. Each reflects the basic philosophy of the nation using it.

"A statement which is equally true, but not so well known, is that thousands of earnest men and women are at work throughout America today evolving, within the structure of the American plan of broadcasting, the American system of education through radio.

"It is at once the responsibility and the privilege of the Federal Radio Education Committee to share in guiding this development.

"The development itself may be observed to be taking place in two fundamental divisions:

"1. A significant ferment is taking place all over the country, launched and kept alive by enthusiastic educators and idealistic broadcasters who see, in radio, infinite potentialities for education and public service. This ferment is taking the form principally of experimentation -- in the classroom -- the studio -- the university radio workshop -- the library, and the home. Here pioneers are approaching, and in many cases solving, practical problems of production.

"2. As a concomitant of this extended experimental activity a second and equally important development may be observed. This development adheres more rigidly to the scientific formula of the collection of data, the classification of data, and the interpretation of data. Its object is to provide the necessary formal structure which will be essential to the eventual creation of a basic and comprehensive plan for the accomplishment of sound education through radio.

"The Federal Radio Education Committee, representing the joint cooperative effort of broadcasters and educators, not only is interested in every phase of both of these significant developments; it is actively participating in both of them."

After citing the work of the Committee, with especial emphasis on the educational radio script exchange and the newer department of information, the Commissioner of Education said in his conclusions:

"The discovery of radio and its mushroom growth have seemed to present no problem which could not be accommodated within the basic American philosophy. Admittedly the air belonged to the people. Admittedly, also, it was not the American way for government to establish a monopoly for the development and use of this newly discovered natural resource. It belonged to the people; it should be developed and regulated by the people, in the public interest.

"Broadcasters represent that small group of body politic which has sought and found self-expression through the development and administration of radio. According to their lights they have administered this public trust in the public interest, and there is no principle in the American philosophy which forbids that they should receive rewards of the kind which accrue to other citizens who find opportunities for self-expression through other commercial or industrial channels. This is basic and undeniable if we are to adhere to the American system of living.

"The maintenance of this system -- a system of freedom of expression which demands free communication, is more closely identified with the responsibility of maintaining the American system of freedom in education than with any other force in our scheme of living. Public education is supported and controlled by the public; yet education must make possible freedom to learn if

democracy is to be nurtured and developed. Radio, by its nature, must be regulated by the Government, but radio must provide freedom of communication if it, as a powerful instrument of influence, is to strengthen and not stifle the processes of democracy.

"In the kindergarten, the elementary school, the secondary school, the college, the university -- from the rostrum, the forum platform, and at the table around which a discussion group may gather, educators are today, and for years have been upholding and inculcating an appreciation of the American way of life and especially of the basic necessity of freedom to learn. In doing so they have increased the understanding of the need for a system of broadcasting free from the compulsions of censorship.

"We have indicated that broadcasters administer a public trust -- free to derive profit from that administration if they choose, but enjoined to operate in the public interest; to assume responsibility which is always a concomitant of privilege. All through the American system these two factors will be found ranged side by side -- privilege, and responsibility -- noblesse oblige.

"Now it so happens that radio, as an industry, differs from other enterprises in our economic structure. Viewed commercially, radio is an advertising medium. Its purpose is to sell merchandise. If that were all there is to it the problem would be very simple. But that is emphatically not all there is to it! The impact of the spoken word upon the radio listener -- to take a very simple example -- achieves education of some kind in some degree. It helps to formulate attitudes and opinions -- conditions action.

"In radio, under the recently adopted Code of the National Association of Broadcasters, only 10 percent of the available time in a commercial program of 60 minutes may be devoted to telling the story of the product being sold. There is no suggestion of arbitrary control of the industry here, but merely reasonable assurance that no actual abuse of the public confidence will result during those portions of the broadcast hours devoted to commercial programs. Broadcasters have assumed the responsibility themselves of providing this assurance.

"From the standpoint of public service the department of sponsored programs, under the American system, may be considered the 'commercial side'. As we have indicated, broadcasters themselves have undertaken to impose certain safeguards through adherence to a code of ethics to prevent abuse of the public confidence. We turn, then, to the noncommercial side of broadcasting -- the public-service side.

"In making this transition a word may be said about what educational or public-service broadcasting is or should be. At the outset it should be understood that considerably more clarification will be needed before this department of radio can be accurately defined. Arbitrary definitions can, of course, be imposed. We might assume, for instance, that any program aimed at

achieving education, as that word is popularly understood, is an educational program, and that other programs fall beyond the pale. Such a definition, however, obviously would be inadequate. A program sponsored by a toothpaste manufacturer, for instance, might promote oral hygiene and thus exert an influence toward commendable objectives of public health, yet its basic purpose would be the sale of toothpaste, and hence educators generally would prohibit the use of the program in the classroom because of the advertising features involved. Neither can we throw the gates wide open and assume that any nonsponsored program aired by a station is, ipso facto, a public service or educational program. We all know that stations air a tremendous amount of trivial material during these nonsponsored hours. To consider such material in any terms save those of public entertainment would lead to false conclusions. We are faced then with the necessity for pointint out that perhaps one of the most important responsibilities which the Federal Radio Education Committee may ultimately be able to discharge will be that of formulating a standard for the classification of programs. But we are fully cognizant of the limitations of present definitions. Recognizing these limitations we come to the purpose of and the need for the Federal Radio Education Committee. How far should the broadcaster go in the matter of education? What are the limits of his responsibility? What activities of an educational nature should he undertake? What should he try to teach -- and how?

"As this report is written we cannot offer all of the answers to these and other equally basic questions. But we are steadily moving toward solutions, and the Federal Radio Education Committee, representing the cooperative effort and will of broadcasters and educators toward true public service, is a very proper vehicle for seeking answers to these questions which must eventually be satisfactorily answered. . . . . .

"Further -- it is mutually essential that this agency of cooperation shall be preserved, to guard and to guide the evolution of the American system of education through radio. No one should make the mistake of considering this matter of small importance or of a temporary nature. As I have said, the educational implication of radio is intrinsic. It is not something which either broadcasters or educators may accept or reject as they please. It exists, and it will continue to exist so long as a single program is aired over a single station for a single listener. This force, then -- ready to our hand and filled with promise of public service and constructive accomplishment -- this force must be conserved in the public interest. Not only must it be conserved, but that conservation must be accomplished in the American way."

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## BROADENING OF RADIO CENSUS REQUESTED

The Radio Manufacturers' Association and the National Association of Broadcasters have joined several government offices in a request to the Census Bureau to develop statistics in the proposed federal housing census next year on multiple radios in American homes, including short-wave receivers. Formal requests to Director W. L. Austin of the Census Bureau for inclusion of these features in the special housing census have been made.

Instead of the present tentative question in the housing census questionnaire, "Is there a radio in this dwelling?", the RMA and others interested have requested the Census Bureau to substitute the question: "How many usable radio sets are in this dwelling unit?" The Census Bureau also was asked, in view of the great social significance attending the reception of foreign broadcasts, to add another question as follows: "Is a radio set in this dwelling unit usable for listening directly to international short wave broadcasts?" This would apply to direct radio reception from Asia, Africa, Europe, or South America.

Broadening of the housing census on radio was agreed upon at a conference in the office of John H. Payne, Chief of the Electrical and Radio Division of the Bureau of Foreign and Domestic Commerce, on December 13. The conference agreed unanimously on the proposed extension of the housing census and included representatives of the National Association of Broadcasters, Department of State, Bureau of Foreign and Domestic Commerce, Federal Communications Commission, U. S. Office of Education, and the Federal Radio Education Committee. The RMA was represented by Bond Geddes, Executive Vice President; Robert R. Kane, of Camden, N.J., and Meade Brunet, of Harrison, N. J.

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## EXPERIMENTAL AUTHORIZATION EFFECTIVE DATE CHANGED

The effective date of application of paragraph 3(b) of Section 3.32 of the Rules Governing Standard Broadcast Stations, insofar as it pertains to existing experimental stations, has been postponed from January 1, 1940, to May 1, 1940, by the Federal Communications Commission.

This particular provision reads:

"In case a special experimental authorization permits additional hours of operation, no licensee shall transmit any commercial or sponsored program or make any commercial announcements during such time of operation. In case of other additional facilities, no additional charge shall be made by reason of transmission with such facilities."

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# FCC TO STUDY HIGH FREQUENCY AURAL BROADCASTING

Because of the growing interest in frequency modulation and filing of applications to begin regular broadcast service as distinguished from experimental service on frequencies above 25,000 kilocycles, the Federal Communications Commission announced this week that it will inquire fully into the possibilities of this system of modulation as well as amplitude modulation for aural broadcasting. An informal engineering hearing will be held before the full Commission beginning at 10 A.M. February 28,1940.

Pending the outcome of this hearing, it was decided to grant the following classes of applications:

(a) Applications for permission to carry out programs of fundamental research not authorized in the past and which show satisfactory promise of being able to contribute substantially toward the development of aural broadcasting service, and

(b) Applications filed by existing licensees to experiment with aural broadcasting on frequencies above 25,000 kilocycles, provided the request to operate additional stations involves a program of experimentation directly related to the existing station.

About 20 applications are pending action by the Commission for new stations desiring to use frequency modulation. There are now 34 amplitude modulated stations and 20 frequency modulated stations authorized by the Commission.

Before a permanent policy can be established with respect to either or both systems of modulation on frequencies above 25,000 kilocycles for regular broadcasting service, studies and investigations must be made regarding the relative values of the two systems, the patent situation, the frequency needs of all radio services, and whether amplitude or frequency modulation, or both systems, should be recognized for other services as well as broadcasting. It is also necessary to consider the possible future effect that broadcasting on ultra high frequencies may ultimately have upon standard broadcasting in the band 550 to 1600 kilocycles.

The frequency bands above approximately 25,000 kilocycles are sometimes referred to as "very high frequencies", "ultra high frequencies", or "ultra short waves". These frequencies possess relatively short distance characteristics as compared with the lower frequency bands. The signals are subject to rather wide diurnal and seasonal variations in signal strength at distances beyond the horizon; therefore, as a practical matter, these frequencies may be said to be useful for broadcast service up to about 100 miles only.

Maj. E. H. Armstrong, Professor of Electrical Engineering at Columbia University, appeared as a witness in behalf of frequency modulation at the Federal Communications Commission

engineering hearing in June, 1936. On the basis of testimony of experts who testified at this hearing, and after studies had been made jointly by the Commission's Engineering Department and the Interdepartment Radio Advisory Committee, the Commission and the President adopted permanent allocations above 25,000 kilocycles for the various government and non-government radio services.

Amplitude modulation has long been used as the standard system for transmitting speech and music by radio. It is the only system of modulation which is used by the existing services operating on conventional frequencies, i.e., below 25,000 kilocycles.

The claimed chief advantages of the two methods are set forth briefly as follows:

Amplitude Modulation

1. Amplitude modulation utilizes a much narrower band of frequencies, i.e., about one-fifth of the frequency band required for wide band frequency modulated signals of equal fidelity.

2. Amplitude modulation may be used on all frequencies throughout the radio spectrum, whereas frequency modulation has proven useful only in the very high frequency bands.

3. Amplitude modulation is the only system which has been used successfully for television on the frequencies allocated by the Commission for television service.

Frequency Modulation

1. Frequency modulation possesses characteristics whereby it is possible to reduce the effects of all kinds of disturbances including atmospheric static, electrical noises, and background signal interference.

2. A frequency modulated broadcast station employing low power will provide greater service than a similar station using amplitude modulation. However, if the power of the two stations is substantially increased the percentage increase in service area of the frequency modulated signal will be materially reduced.

3. A frequency modulated receiver will accept only the strongest signal or noise as the case may be when the ratio of the desired to undesired signal strength is approximately 2 to 1. In the case of amplitude modulation, the ratio must be at least 20 to 1 for good broadcast service. Consequently, it is possible to operate frequency modulated stations at relatively close geographical locations without interference.

4. Frequency modulation has definite advantages over amplitude modulation in operating the low power services such as forestry, police, aircraft, etc. In such cases, each system is under the control of one licensee who can plan for the purchase, installation and operation of the entire transmitting and receiving system.

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## RMA SCHEDULES CONVENTION IN CHICAGO

The Sixteenth Annual Convention of the Radio Manufacturers' Association and National Radio Parts Show will be held at the Stevens Hotel in Chicago, June 11-14, inclusive, 1940, Bond Geddes, Executive-Vice-President announced this week. The RMA Convention, membership meetings, and annual industry banquet will be held Tuesday and Wednesday, June 11 and 12. The National Radio Parts Show, again under the joint sponsorship of RMA and the Sales Managers Clubs, will be held in the Exhibition Hall of the Stevens Hotel from noon, Tuesday, June 11, until 10 P.M. Friday, June 14. Paul V. Galvin, of Chicago, is Chairman of the RMA Convention Committee, and Ken Hathaway continues as the Manager of the Parts Show. The annual all-radio industry banquet will be held Wednesday evening, June 12 and the industry golf tournament is scheduled for Thursday, June 13.

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## DEMPSEY ASKS COURT TO CLARIFY FCC POWER

Whether the refusal of the Federal Communications Commission to grant a license to a radio station is reviewable by the courts remains an unsettled question, so counsel for the Commission have asked for a reargument of four cases decided against it in the most recent decision.

William J. Dempsey, General Counsel, has petitioned the United States Court of Appeals for the District of Columbia to take up these cases before its entire bench. The court, Mr. Dempsey points out, twice has decided the issue - once in favor of the Commission and once against it. The cases involved the Columbia Broadcasting System of California, Inc., the Associated Broadcasters, the Voice of Alabama, Inc., and the Alabama Polytechnic Institute.

In urging the appellate tribunal to listen to a reargument of the four cases, Mr. Dempsey explains that Chief Justic Groner dissented in the earlier cases, which were decided in favor of the Commission, and in a later case he and one other justice, in a 2-to-1 decision, held against the Commission.

In the latest decision, it is pointed out, Chief Justice Groner, adhering to the view in his previous dissenting opinion, and Associate Justice Miller held that an appeal could be taken to the courts when the Commission denied an application for assignment of a radio station license.

Five members of the court have held that there is no appeal in such a case. The five were former Chief Justice Martin and Associate Justices Robb, Van Orsdel, Gitz and Stephens. Only two justices have taken the position that an appeal could be taken, the Commissions's lawyer cited, while three members of the present court - Associate Justices Edgerton, Vinson and Rutledge - never have passed on the question. Mr Dempsey said that in view of these differences in judicial opinion, involving present and former members of the Court of Appeals, the right of the Commission to grant or refuse transfer of control over stations was shrouded in mystery.

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## TRADE NOTES

M. H. Aylesworth, former President of the National Broadcasting Company, has resigned as publisher of the New York World-Telegram. He is returning to his public relations practice as well as the practice of law. It is reported that he proposes to gather a select number of accounts for private consultation work on public relations matters, and rumors are that RCA-NBC will be among the first to retain him in that capacity.

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Among the honorary pall-bearers at the funeral of Representative Sirovich (D.), of New York, in New York City this week were David Sarnoff, Donald Flamm, and Gene Buck.

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The European war has developed such increased public interest in foreign short-wave broadcasting that many additional American newspapers have subscribed to the weekly service of the Radio Manufacturers' Association detailing foreign short-wave features. The RMA service to newspapers has increased 71 percent since hostilities broke out in Europe and there are now 268 American newspapers receiving the RMA weekly programs of short wave broadcasts. The RMA short-wave programs are furnished without charge to the press and are now used by most leading daily newspapers.

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The Federal Communications Commission this week granted an amended application of Station WEEI, the Columbia Broadcasting System, Inc., Boston, Mass., for a construction permit to employ present daytime directional antenna pattern for both day and nighttime operation and increase night power from 1 KW to 5 KW, on 590 kc., unlimited time.

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Spanish importation of radios is virtually prohibited by its exchange control regulations, according to advices from the American Commercial Attache of the Department of Commerce at San Sebastian. No import permits covering radio equipment have been granted by the Spanish authorities since the cessation of hostilities, although a few barter deals are reported of nominal size from Germany and The Netherlands.

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The Federal Communications Commission this week tentatively granted the application of the Times Dispatch Radio Corporation (WRTD), Richmond, Va., for a construction permit to change the operating assignment of the station from 1500 kilocycles, 100 watts power, unlimited time, to 590 kilocycles, with power of 1 kilowatt, unlimited time, using a directional antenna at night.

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The Federal Communications Commission announced this week that from this date (December 20), through December 30, 1939, it will entertain on 48 hours' notice and may grant, through the usual officials, applications for individually designated programs of a religious, ceremonial, or other nature having to do with the celebration of Christmas and the New Year.

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In Marienau, near Danzig, five members of one family have been imprisoned for listening to and spreading foreign radio broadcasts, according to the New York Times. Johannes Jakobsen was sentenced to two and a half years' imprisonment and his wife Marta, who spread reports in the village, received a similar sentence. Each of Jakobsen's three young brothers were sentenced to a year and a half. The family was deprived of all citizenship rights for five years.

In Berlin a large number of persons have been sentenced for the same crime, which carries a maximum penalty of death. The press continues to warn all who insist on listening to foreign broadcasts of the dangers not only to the State but also to themselves.

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The Federal Trade Commission has closed its case against Parker-McCorory Manufacturing Co., 2609 Walnut St., Kansas City, Mo., manufacturer and distributor of radio sets and parts and mechanical devices, it appearing that the respondent company has agreed to discontinue the misleading representations alleged and to abide by the rules of fair trade practice for the radio receiving set manufacturing industry, promulgated by the Commission July 22, 1939. The case was closed without prejudice to the Commission's right to reopen it and resume prosecution, should future facts so warrant.

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The Federal Communications Commission this week granted the applications of The Bee, Inc., (KOH), Reno, Nevada, and McClatchy Broadcasting Co. (KERN), Bakersfield, Calif., for construction permits, KOH to move its transmitter locally, install new equipment and change operating assignment from 1380 kilocycles with power of 500 watts, unlimited time, to 630 kilocycles with power of 1 KW, unlimited time, using directional antenna at night; and KERN to change frequency from 1370 to 1380 kilocycles, increase power from 100 watts to 1 KW, change transmitter site and install new equipment.

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NOTE: DUE TO THE GOVERNMENT OFFICES BEING CLOSED OVER THE ENTIRE WEEK-END, THERE WILL BE NO ISSUE OF THIS SERVICE ON TUESDAY, DECEMBER 26, 1939.

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## TELEVISION STATIONS SHARE CHANNEL AFTER CLASH

Collision of television signals between a Philadelphia station and a New York station, the first since the birth of the infant science, resulted in a tentative agreement to share time between Station W3XE, operated by the Philco Radio & Television Corp., of Philadelphia, and Station W2XAX of New York, operated by the Columbia Broadcasting System, it was disclosed this week.

The agreement blasted the currently popular scientific theory that television broadcasting is limited to the horizon, giving rise to a wider scope in television research.

Interference was first noted on television receivers in the Philadelphia area when both the audible and visible programs of both stations were mutually disturbed beyond recognition. Philco protested that its regular television service to the Philadelphia area and its thirteen-year accumulation of television research material, a field in which it has been a pioneer, was beint interfered with whenever Columbia's television station took the air.

Engineers and members of the Philco television audience both noted the clash and extensive field tests by Philco research workers verified the collision of the television signals.

The agreement, the first time-sharing arrangement in television's short history, was necessitated by the fact that both stations operate on the same frequency band -- channel number two (50 to 56 megacycles). Both stations are licensed for experimental television broadcasting by the Federal Communications Commission.

Effective at once, Philco will transmit television programs between midnight and noon daily, and on Wednesday, Friday and Sunday evenings after 6 P.M. The Columbia station will confine its television broadcasts to all other times.

Philco has already petitioned the Federal Communications Commission to change its proposed allocation of television channels so as to give Channel Number 2 to Philadelphia since New York City has been assigned to Channel Number 1. The petition was filed with the FCC in Washington on December 16.

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## TELEVISION SET SALES 750 ON WEST COAST

Sales of television sets in the Los Angeles area, which now enjoys daily programs, have amounted to about 750 in the short time that television has been available there, according to the New York Times business review. Telecasts cover a radius of about 30 miles and are on a six-day schedule. Motion pictures are used every day and live talent three times a week. Including the New York figure, television set sales have now amounted to about 2,000, the Times estimated.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



INDEX TO ISSUE OF DECEMBER 29, 1939



No. 1196

December 29, 1939

FTC NOTES CONTINUED IMPROVEMENT IN RADIO ADS

The Federal Trade Commission in its annual report released this week notes a steady improvement in radio advertising, as well as newspaper and periodical advertising, and predicts continued progress as a result of the corrective activities of the commission's radio and periodical division.

"The commission believes that its work in this field contributed substantially to the improvement that has been evident in recent years in the character of all advertising generally", the report said, "and that with the increased facilities and personnel provided by the newly created division, together with a gradual increase in the extent of its survey over the advertising field, such gains as have been made will not only be maintained but continually increased."

Reviewing its examination of radio advertising during the year, the FTC said:

"The Commission, in its systematic review of advertising copy broadcast over the radio, issues calls to individual radio stations, generally at the rate of four times yearly for each station. However, the frequency of calls to individual broadcasters is varied from time to time, dependent principally upon transmittal power, the service radius or area of specific stations, and the advertising record of certain types of stations, as disclosed in analyses of previous advertising reviews.

"National and regional networks respond on a continuous weekly basis, submitting copies of commercial continuities for all programs wherein linked hook-ups are used involving two or more affiliated or member stations.

"Producers of electrical transcription recordings submit monthly returns of typed copies of the commercial portions of all recordings produced by them for radio broadcast. This material is supplemented by periodical reports from individual stations listing the programs of recorded commercial transcriptions and other essential data.

"The combined radio material received furnishes representative and specific information on the character of current broadcast advertising which is proving of great value in the efforts to prevent false and misleading representations.

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"During the fiscal year ended June 30, 1939, the Commission received 626,293 copies of commercial radio broadcast continuities, amounting to 1,384,448 pages of typewritten script. These comprised 860,908 pages of individual station script and 523,540 pages of network script.

"The staff read and marked 643,796 commercial radio broadcast continuities, amounting to 1,384,353 pages of typewritten script. These comprised 492,540 pages of network script and 891,813 pages of individual station script. An average of 4,539 pages of radio script were read each working day. From this material 29,143 commercial broadcasts were marked for further study as containing representations that might be false or misleading. The 29,143 questioned commercial continuities provided current specimens for check with existing advertising cases as to their compliance with actions, stipulations, and orders of the Commission, in addition to forming the bases for prospective cases which may not have previously been set aside for investigation.

"In general, the Commission has received the helpful cooperation of Nation-wide and regional networks, and transcription producers, in addition to that of some 616 active commercial radio stations, 457 newspaper publishers, and 533 publishers of magazines and farm journals, and has observed an interested desire on the part of such broadcasters and publishers to aid in the elimination of false, misleading, and deceptive advertising.

"Drug preparations, cosmetics, health devices, and contrivances and food products accounted for 62.7 percent of the advertised articles given legal review during the fiscal year.

"In the item of drug preparations, which comprised 42.4 percent of the advertised products, a substantial proportion of the related advertising contained flagrant misrepresentations or representations which disclosed possible injurious results to the public and for that reason were given preferred attention.

"Many requests have been received from radio stations, advertisers, and advertising agencies for advice and information concerning certain advertisers and their products. The Commission cannot give the information requested in many cases either because the matter may be under investigation or it is not fully advised of all the facts and cannot render opinions therein; and, in any case, it is not the Commission policy to pass on the merits of products advertised. It treats as confidential all proceedings prior to acceptance of a stipulation or issuance of a complaint. After a stipulation has been accepted and approved, or a complaint issued, the facts concerning such proceedings are for the public record and available to anyone who may request them.

"During the fiscal year ended June 30, 1939, the Commission, through its Radio and Periodical Division, sent questionnaires to advertisers in 679 cases and to advertising agencies in 44 cases,

negotiated 230 stipulations accepted and approved by the Commission for discontinuance of misleading representations, and settled or closed by its various methods of procedure 394 such cases. In 26 cases the issuance of complaint was recommended, 18 for failure to stipulate and 8 without giving the advertiser an opportunity to stipulate because of gross deception or danger to the public involved in the practice. In 15 cases previously settled by stipulation complaints were recommended for violation of the terms of those stipulations.

In 135 cases the division recommended filing the assembled data and closing the cases without prejudice to the right of the Commission to reopen them at any time the facts warranted. Four cases were closed because the Post Office Department had issued fraud orders against the advertisers and 11 because the Post Office Department had accepted affidavits of discontinuance of business from the parties concerned. Others were closed because, prior to the Commission's contact, the advertisers had discontinued advertising or selling without intent to resume, and others because the advertisers were able to justify their claims."

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TELEVISION HEARING SET FOR JANUARY 15

With members of the Federal Communications Commission still uncertain as to the wisdom of allowing even partial commercialization of television transmission, a public hearing has been scheduled for January 15.

A clarification of the proposed rule to permit commercial sponsorship of television programs, as adopted by the commission before recessing for the Christmas holidays, will be the principal subject of the hearing.

The first draft of the recommendations of the television committee was somewhat vague as to the application of the limited commercialization provision. The new version is clearer and reads as follows:

"(a) No charges either direct or indirect shall be made for either the production or transmission of either aural or visual programs by Class I television stations;

"(b) No charges either direct or indirect shall be made for the transmission of either aural or visual programs by Class II television stations; however, Class II television broadcast stations may make charges to cover cost of program production, including advertising material, which programs may be transmitted as an experimental program service but without charge for such transmission;

"(c) Quarterly reports shall be made to the Commission by Class II television broadcast stations of the chartes and costs as well as of other pertinent information which may be of assistance to the Commission in evaluating the economic feasibility of television broadcasting as a regular service to the public on a commercial basis.

"(d) The offering by any person of the facilities of any television broadcast station on a regular commercial basis is prohibited. The limited commercialization permitted under subsection (b) above shall not take precedence over the experimental service, but shall in fact be subordinated to it."

Another move to plug loopholes was a stiffening of the rule prohibiting 'solicitation' of business. Neither type of operator would be allowed to 'offer' his facilities to advertisers 'on a regular commercial basis.' Under the rule 'the limited commercialization . . . shall not take precedence over the experimental service, but shall in fact be subordinated to it.' Meaning that the FCC still considers visual broadcasting permits are intended to benefit the public before the experimenters.

Otherwise, the latest version of the proposed rules coincides with the draft published Nov. 15.

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## U. S. FOREIGN SERVICE COMMUNICATIONS DISCUSSED

One of the most interesting chapters in the outstanding new book "Inside the Department of State" by Bertram D. Hulen, is devoted to foreign service communications. State Department officials are never very talkative on any subject and would be about as quick to tellyou just how they used the radio telephone and cable in emergencies as a G-man would be to explain to you the intricate workings of or when he used his revolver.

Thus communications in our foreign affairs, as discussed by Mr. Hulen, who for years has covered the State Department for the New York Times, and knows the place inside out, reveal many things heretofore not known.

Mr. Hulen states that the commercial radio is a distinct advantage to the Department of State as a channel of information when it broadcasts the speech of the head of a foreign government announcing his position in a matter of grave concern to the United States. Work stops in the Department when that happens. Officials gather around radio sets in various offices while the Secretary of State, surrounded by Assistant Secretaries of State, and other aides whom he has invited to his office, is among the most attentive listener.

"Yet the transatlantic telephone has been used much less in diplomacy than might be supposed since Secretary Stimson employed it", Mr. Hulen writes. "When he was to speak with the Embassies in London or Paris, he would summon a dozen or more departmental officials and experts to his office and have them listen in with head telephone receivers. If a question arose that he could not readily answer, he would find the information among some one of his group of specialists. Sometimes, calling up these Embassies direct, was to the annoyance of a distinguished Ambassador who, because of the difference in time between Washington and Paris, was routed out of bed in his night-shirt."

According to Mr. Hulen, Secretary Stimson was the greatest user of the overseas telephone. Secretary Hull has used the overseas telephone relatively little except during a crisis to receive instant factual reports from Ambassadors in the principal capitals.

Mr. Hulen told of an exciting incident when the American Legation was in imminent danger of being overrun by the panic-stricken native mob in its headlong rush from Addis Ababa before the approach of Italian troops in May, 1936. The Legation was insufficiently manned to withstand the horde beating at the gates of the compound, even though Cornelius Van H. Engert, the Minister Resident, had armed his little staff and they had taken position to stand off the natives. It was obvious that the effort would soon fail unless reinforcements arrived. The one chance lay with the strong force of guard at the British Legation three miles away. Yet telephone lines had been cut and a runner could not have made the distance and survived.

In the emergency Engert turned to the short-wave radio equipment that had been sent to him from Washington in charge of Navy expert to maintain contact with the United States if commercial communications failed. The British had no such equipment so he could not send a message direct. But Engert was resourceful. He sent his appeal for reinforcements by short-wave to the United States wireless station at Cavite in the Philippines. It was immediately relayed to Washington for transmission to London. The British Government promptly forwarded it to Cairo from whence it was sent to the British Legation at Addis Ababa. An hour and a half after Engert sent his appeal, troops from the British Legation drove up to the compound in trucks just in the nick of time.

"Inside the Department of State" is published by Whittlesey House, McGraw-Hill Book Company, 330 West 42nd Street, New York, and the price is $3.00.

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## WRC-WMAL WIN VARIETY ANNUAL AWARD

Santa Claus arrived early at WRC and WMAL, Washington, this December and dropped a prize package. It was addressed to General Manager Kenneth H. Berkeley from Bob Landry, radio editor of Variety Magazine, and contained the news that the two stations jointly had won the national 1939 showmanship award for stations operated by networks. It was the seventh annual showmanship survey conducted by Variety.

A day or so after Christmas formal presentation of the award was made, and Warren Francis, Washington Representative of Variety, handed to Mr. Berkeley the bronze showmanship plaque that is now hanging in the WRC-WMAL reception room. During the award ceremonies which were broadcast by both stations Mr. Francis said:

"As the whole trade knows, the plaque for the best network-managed station went to WRC-WMAL. You people were measured and found to be awake, alert, on your toes. You had shown ability to build programs and to develop talent. You had proved you could attract listeners and interest advertisers. You had achieved a desirable balance between commercialism and public service. You had blended entertainment, charitable work, and education. You had created a distinct personality. In recognition of your accomplishments, I am very happy to present to you this showmanship plaque, tangible evidence that you and your staff in the past year turned in the best performance in your particular field."

In receiving the plaque Mr. Berkeley said: The work and spirit of every member of the staff has made this citation possible. We are indeed gratified that our efforts to bring our listeners a well-rounded radio service have been recognized and honored by Variety Magazine . . . However one may define radio showmanship, we feel that to attain it is to work your hardest to inform and please your listeners. We value this award very highly. It inspires us to strive all the harder to bring our Washington radio friends the best possible radio service year in and year out. We shall certainly continue all our efforts to that end."

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## NO NEW SAFETY LAWS NEEDED, SAYS FLY

Apart from proposals made in its "special study of the radio requirements necessary or desirable for safety purposes of ships navigating the Great Lakes and inland waters of the United States", which was made at the request of Congress, the Federal Communications Commission will not recommend additional legislation for the promotion of safety of life and property through wire and radio aids. This was made known this week in a letter to Congress, pursuant to provisions of the Communications Act, from Chairman James Lawrence Fly.

In an accompanying communication, Chairman Fly reported that further time is needed to study the Great Lakes and inland waters report, but expects to file the same with Congress by April 15. He explained that 3167 pages of record and 341 technical exhibits were assembled by the small technical staff available to make the survey under Commissioner Thad H. Brown, and that the Commission as a whole is still studying the resultant 621-page report with exhibits which was filed with it on December 15.

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WAR COVERAGE HIGHLIGHT OF YEAR FOR NETWORKS

Special short-wave pick-ups of news and comments on the European war were the highlights of an active year for the three major networks in 1939.

The Columbia network had the biggest "show" in its history in 1939. Programs devoted to national and world affairs during the year, as a result, totaled 5,669 -- or more than 1,381 hours of broadcast time. In 1938, former peak year, CBS had 2,006 programs, or 432 hours devoted to news and world affairs.

This year, 927 of the broadcasts originated in nerve centers of the Old World, the vast majority of them coming after announcement of the Berlin-Moscow non-aggression pact burst upon a startled world in mid-August.

The many days that Columbia stayed on the air on a 24-hour basis during the crisis, plus the fact that ever since then the network has opened an hour earlier and closed an hour later, added almost 4,000 hours of broadcasting time for the year as compared with 1938. The figures for 1939 are 10,398 hours for 31,449 broadcasts; for 1938, 6,662 hours and 19,074 broadcasts.

Inauguration of an international commercial short wave broadcasting service, installation of a steerable antenna which can be focused on either Buenos Aires or Rio de Janeiro by throwing a switch, and increase of program service below the Equator by three and a half hours daily were outstanding accomplishments of the National Broadcasting Company's international division during 1939.

The new service offered by NBC operates sixteen hours daily over WRCA and WNBI. It is designed primarily to cover the 20 Latin American republics with programs in Spanish, Portuguese and English, beginning at 12:00 Noon, and running until 1:00 a.m., EST. In addition there will be made available to advertising sponsors a daytime European program service beginning at 9:00 a.m., and running until 4:00 p.m., in English, French, Italian and German. These commercial programs will be supplemented by the usual extensive schedule of sustaining broadcasts.

The year 1939 was marked by an increase of 23 percent in special features, spot news, talks and sports broadcasts heard over WOR, key station of the Muturl Broadcasting System. It also will mark the fifth anniversary of the special feature division, begun in 1935 by G. W. Johnstone, director of public relations and special features.

More than 1005 spot news, talk and special features programs will have been heard over WOR by January first in contrast to 720 heard over WOR in 1938. Five hundred and twenty-two were broadcast in 1937. Of the 1939 total of 1005, more than 637 were originated by the WOR special feature division. The WOR originations do not include a large number of European originations by Mutual which were handled in one form or another by the WOR staff.

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HUNT FOR $1,000 TO BE RESUMED BY FCC

The Federal Communications Commission on January 3 will renew its search for a bundle of ten $1,000 bills which everybody concerned admits existed but everybody denies owning.

Bank records introduced at a hearing have proved the existence of the money -- it was deposited in a trust fund created for construction of WSAL at Salisbury, Md.

But of three men immediately concerned, two deny ever having even seen the money. They are James Gum, Washington radio attorney, and Frank Stearns, in whose name the station was licensed.

The third man, Glen Gillette, Washington radio engineer, has testified the money -- in crisp bills -- was handed to him by Mr. Gum for deposit in a trust fund in Mr. Gillette's name.

Mr. Gillette also has testified Mr. Gum later got the money back after deduction of $1,500 Mr. Gum owed Mr. Gillette and a note signed by Mr. Stearns was substituted. It was then, Mr. Gillette has testified, that he decided to finance the station himself in return for a $25,000 chattel mortgage.

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## TRADE NOTES

The invitations for the wedding of Miss Grace Lucille Carr, daughter of Mrs. Arthur Carr, to Mr. Gail Gray Geddes of Montclair, N. J., have been issued. The wedding will take place January 12, 1940, 8 p.m., at St. Alban's Church, Dr. Charles T. Warner officiating. Mr. Geddes is the son of Bond P. Geddes, executive vice president of the Radio Manufacturers Association, and Mrs. Geddes, of Chevy Chase, Md. Miss Carr attended National Cathedral School for Girls and was graduated from Meredith College, Raleigh, N. C. Mr. Geddes was graduated from Dartmouth College and received his master of commercial science from the Amos Tuck School of Administration and Finance. He is a member of the Sigma Nu social fraternity and Phi Beta Kappa honorary fraternity.

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Sam Luber, trading as Dearborn Sales Company, 711 South Dearborn St., Chicago, has been ordered by the Federal Trade Commission to cease and desist from use of lottery methods in the sale and distribution of merchandise to ultimate consumers. The company, selling and distributing radios, coffee sets, and other merchandise, also distributed to the purchasing public devices commonly known as pull cards, with certain literature, instructions and order blanks through which merchandise was to be sold to ultimate purchasers by means of lottery methods.

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George S. De Sousa, treasurer, has been elected vice president and treasurer of the Radio Corporation of America. Mr. De Sousa has been treasurer of RCA since its formation in 1919, and prior thereto was an officer of the Marconi Wireless Telegraph Company of America, the predecessor company to RCA.

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12/29/39

1939 RADIO'S GREATEST YEAR, SAYS SARNOFF

According to David Sarnoff, president of the Radio Corporation of America, "Radio in 1939 has had its greatest year".

"More than 9,000,000 radio receivers have been sold. More radio sets are in use in the United States than in all the rest of the world combined. With 45,000,000 receivers in American homes and automobiles, radio has become an integral part of our national life.

"The first public service of television programs, adding sight to sound, was introduced in the United States in 1939, by RCA's broadcasting service, the National Broadcasting Company. It marked the triumph of many years of radio research and technological advance. It represents a pioneering effort of the first magnitude. Those who predicted that the introduction of television would retard radio progress have been poor prophets of the year's amazing results in sound receiver sales.

"American-owned radio communication services, vital to our national defense, have maintained direct contacts with all nations, belligerent and neutral. In 1914 these radio services were non-existent, and our communications were at the mercy of the countries which controlled the cables. Today direct radio circuits connect the United States with 51 countries, and no intermediate censorship is possible. Our radio communication facilities guarantee the freedom of our communication lanes for the flow of international messages and in the interests of American trade.

"More than 750 broadcasters, operating either locally or in conjunction with national and regional networks, sold more time over their facilities to sponsors, than they did in any previous year since broadcasting began. This furnishes the economic base for our free American system of broadcasting.

"The war, and its threat to the neutrality of the Western Hemisphere, put the American system of free and private enterprise in radio to the acid test. American broadcasting met that test, American radio told the truth to its listeners at home and throughout the world. Its short-wave broadcasts were almost the world's only free, factual, and uncensored sources of radio news.

"Employment has risen in the entire radio industry, and the industry is paying higher wages to workers, musicians, artists and performers. It is estimated that radio gives employment to 400,000 people in the United States, with an annual payroll in excess of $500,000,000.

"Looking ahead, I believe that 1940 will be a year of even greater importance than the year just ending. Two factors alone should insure a year of eager and unflagging public interest in broadcasting. One is the international situation. The other is the presidential nominations and election in the United States.

"In all history, no other industry ever crammed so much amazing progress into one 20-year span. But the far-reaching developments, which are now the subject of investigation and experiment in the radio research laboratories, already indicate that the progress of the next two decades will surpass the achievements of the last two -- in the birth of new miracles of radio science, and in the building of new highways of public service."

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G. E. OFFICIAL SEES BOOST IN RADIO SALES IN 1940

The broadcast receiver business should show considerable improvement next year, due to the European war and the presidential election, in the opinion of Dr. W. R. G. Baker, of the radio and television department of General Electric Co.

"Unless something occurs to impair seriously consumer purchasing power, the broadcast receiver business should show an improved trend in 1940 due to the European situation, plus the usual increase in consumer interest in a presidential year," he said. "An increase in the number of television transmitters, program improvement, and perhaps a decrease in the list prices of television receivers may stimulate the television field. The increased scope of operations for transmitters and tubes, in addition to continued governmental activities forecasts an improvement for these product lines in 1940."

Reviewing the past year, Dr. Baker said: "During 1939 consumer purchases of radio receivers were seriously affected by two factors. The first - the introduction of television service in New York City - resulted in depressing the entire national market. Consumer reaction to the great amount of publicity on television, plus the opening of the New York station, made it difficult to convert the potential purchaser of a radio receiver into an immediate buyer.

"To offset this condition, the public has been offered, in 1939, the greatest dollar value in the history of the industry. In addition, the consumer was gradually educated, not only in the limitations of the existing television service, but also as to the near future possibilities of television on a national basis.

"Television is still an engineering achievement and a commerical enigma. The actual sales of television receivers have been extremely limited. Many reasons have been advanced and all are undoubtedly correct to a degree. Some of the causes advanced for the negligible consumer acceptance so far as purchases are concerned, are the limited program hours, the type and quality of programs, the list prices of receivers, and the relatively short trade discounts as compared to radio.

"Nevertheless, and in spite of the limited sales, it is the general opinion that the New York experiment has demonstrated that television service can be rendered over the area originally estimated, and that given acceptable programs, such service provides real entertainment value and opens up new educational possibilities.

Heinl Radio Business Letter.

July - Dec. 1939

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